THE JOURNAL OF AMERICAN CITIZENSHIP

POLICY REVIEW

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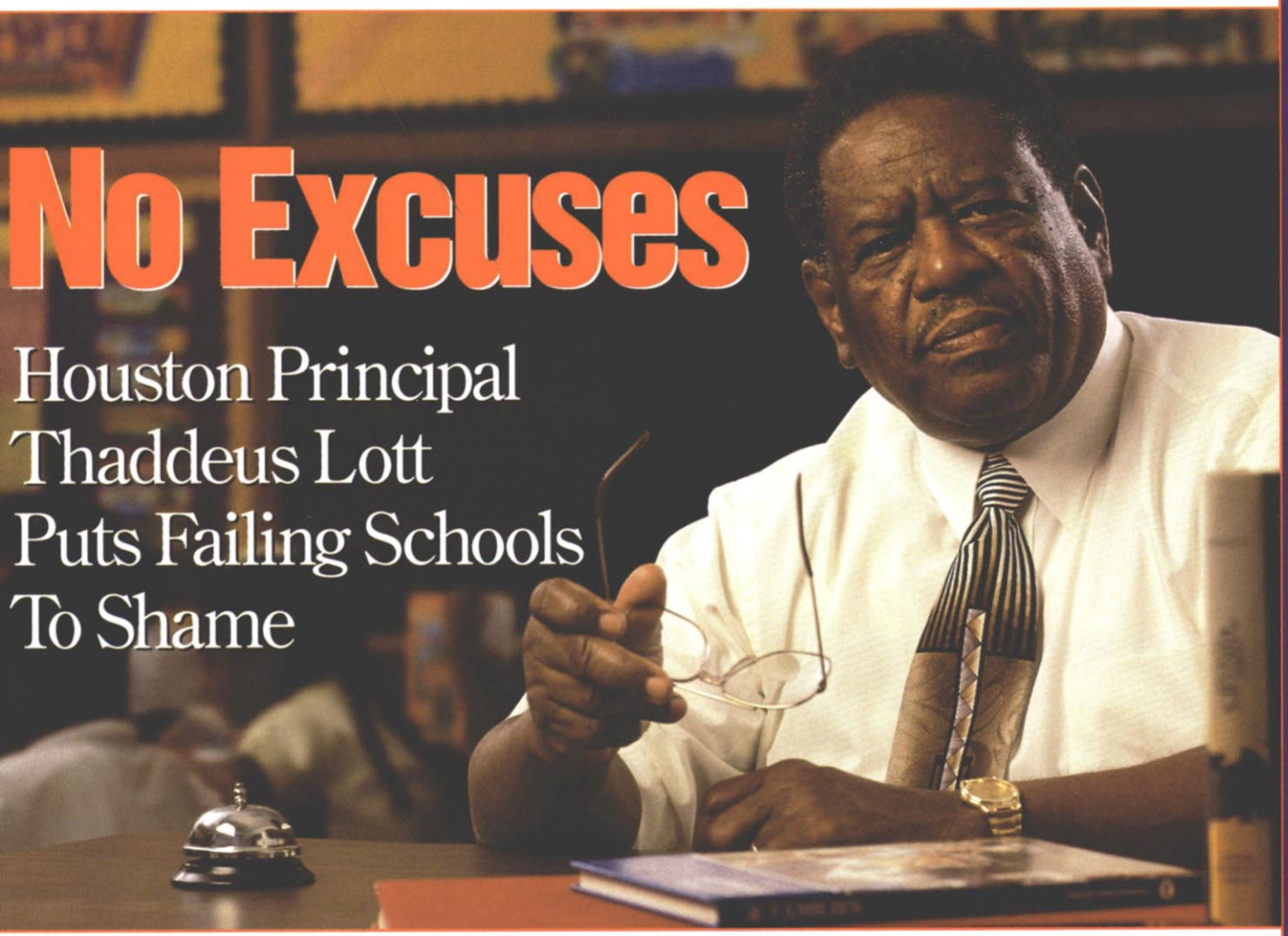

No Excuses

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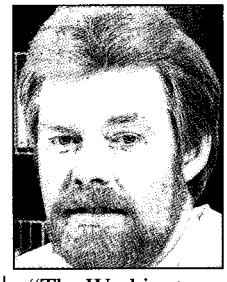

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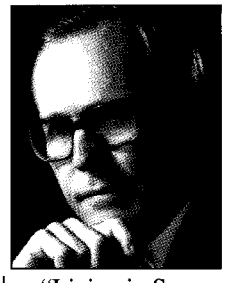

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THE JOURNAL OF AMERICAN CITIZENSHIP

POLICY REVIEW

January • February 1998 Number 87

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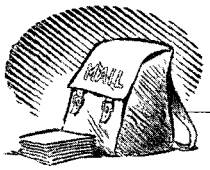

Correspondence

Forbes in 2000?

To the Editor:

In his excellent article "The Moral Basis of a Free Society" (Nov.–Dec. 1997), Steve Forbes, in discussing abortion, writes, "In a democracy, we cannot impose; we must persuade." In writing later about drug legalization, he in effect says, though he does not use these words, "Society cannot persuade, it must impose." Which statement, I would ask, is the more appropriate part of "the moral basis of a free society"?

Milton Friedman
Senior Research Fellow
Hoover Institution
Stanford, Calif.

To the Editor:

Steve Forbes is a bit muddled on one point. Progressivism is not the morally regenerating force he seems to suggest. Progressivism is the opposite of moral. It is a poison to the body politic and antithetical to the principles of republican self-government.

Progressivism seeks to relieve individuals of their traditional moral, social, and familial duties in exchange for direct, sweeping, "rational" control by scientific-bureaucratic elites. Progressive "reforms" such as the direct election of senators and the citizen initiative have not made America more moral. They have made our politics less deliberate and more passionate, and have shifted power from local communities to Washington, with its alphabet-soup of scientific bureaucracies and the attendant entrenched interests.

It is no accident that the direct election of senators, which Forbes likes, was part of the same political program as the graduated income tax, which he doesn't. The Progressives knew what they were doing. They thought that the founders' Constitution was fatally flawed. Among other things, they wanted federalism smashed. And to do this, they needed a graduated income tax (the 16th Amendment) to increase federal revenue, and the direct election of senators (the 17th Amendment) to expand federal power. It was the moralistic rhetoric of people such as Roosevelt that helped lull the American people into consenting to these two radical changes to their sacred constitutional text, despite George Washington's ancient plea that we "resist with care the spirit of innovation upon its principles, however specious the pretexts."

The result is a federal government that bribes the states with their own citizens' money, shackles them with intolerable mandates, forbids them from curbing such crimes as abortion and pornography, and now threatens to nationalize even those most domestic of concerns, health and education.

The moral regeneration of American society will require, ultimately, more significant reforms than anything Forbes currently advocates. Besides a tempering of the Supreme Court's activism, it will also require an eventual purging from the Constitution of its Progressive taint. Ten words should do the trick: "The 16th and 17th articles of amendment are hereby repealed."

Dean Clancy
Alexandria, Va.

To the Editor:

Steve Forbes's article was worthy of a future president. I am troubled, however, by this oxymoron: The notion of freedom to which he subscribes includes government control over abortion and doctor-assisted suicide. Should these actions not fall into the category of secured rights reserved for citizens to decide for themselves? In a limited government that protects basic freedoms, how can he justify interference in these personal freedoms? While I agree with his arguments on abortion and assisted suicide, I would never force these views on others—these are matters between individuals and their God, not their government.

Some of these matters should be limited by government to protect all of us, but the government to which his article subscribes should not interfere with personal decisions as long as they do not affect the public good. It seems to me that the "moral basis of a free society" is a government that secures the right of people to be morally responsible for their decisions.

Frank Alexander
Colorado Springs, Colo.

The Reading Wars

To the Editor:

I write to congratulate Tyce Palmaffy on his excellent coverage of the "reading wars" in his article "See Dick Flunk" (Nov.–Dec. 1997). I also wish to trace the roots of the rejection of phonics to well before Horace Mann. Its most visible origins are best seen in the influence of philosopher Jean Jacques Rousseau. The rejection of phonics is intertwined with the rejection of most of the other approaches to teaching children subjects that require considerable measures of drill, repetition, and practice. The rejection of phonics went hand-in-hand with the growth of "progressive education." Horace Mann, John Dewey, A.S. Neill, and Margaret Mead didn't attack phonics *per se.* Rather, they attacked the memorization of such information as multiplication tables, mathematical formulas, the alphabet, and the parts of speech, as well as the practice of handwriting.

Rousseau's didactic novel *Emile* expressed his view that education is not imparting knowledge to a child but drawing out what is already in the child. Anyone familiar with a biography of Rousseau and his autobiographical *Confessions* can see his philosophy as a monumental effort to rationalize his own quite miserable, undisciplined, and immoral life. He described his boyhood character as indolent, irritable, and unprincipled. He stole, lied, and played dirty tricks. He was fired from all the many jobs he held except for those from which he simply walked away. Throughout his life he was in and out of difficulties as a result of his classic psychopathic personality.

Rousseau's ideal society then was one in which people like himself could easily thrive. Rousseau did pretty much as he liked whenever he felt like it. He fathered a number of illegitimate children and promptly had them put into foundling asylums, yet he wrote in *Emile,* "He who cannot fulfill the duties of a father has no right to become such." Rousseau saw schooling as a device to help human beings in their natural revolt against civilization.

Rousseau's "philosophy of education" was institutionalized at England's Summerhill School during the 1920s. Its philosophy included these statements: "The aim of education is to work joyfully and find happiness" and "Lessons are optional"—and that in-

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cluded the alphabet.

This progressive view of education has inflicted horrendous damage upon the literacy of America. I would add, however, that similar notions are to blame for the fact that my university students have trouble with decimals, fractions, and ratios: Educators want to rid the schools of any learning activities that are not "child-centered" and fun. The "look-say" method was first developed early in the 19th century by Thomas H. Gallaudet, the founder of the Hartford Asylum for the Deaf and Dumb, for the teaching of its inmates. Horace Mann adopted the method in Massachusetts in 1836 because it eliminated the "drudgery" and "tyranny" of the alphabetic method.

Five years later, a group of Boston schoolmasters produced an incisive, book-length critique of the "look-say" method and won a year-long battle with the State Board, allowing them to return to the alphabetical-phonetic method in the Boston schools. But the seeds of "look-say" were carefully nurtured by Mann and his followers in the teacher-training colleges. When resistance had waned and as these "traditionalist" schoolmasters retired, they were replaced by the thoroughly indoctrinated products of Mann's teachers colleges.

James Lee
Prof. of Bus. Management emeritus
Ohio University
Athens, Ohio

To the Editor:

In "See Dick Flunk," yet another journalist shows that phonics is the best way to teach reading (surprise!), and is amazed at why there is so much resistance to it among educators.

The reason is that teachers themselves find teaching this stuff boring. They hate correcting the same old exercises and spending time on the same old drills year after year. So they project their boredom onto the kids and say that the kids hate this and don't learn from it. Notice also that it's just as boring to teach teachers how to teach this stuff, and so the teachers nowadays never even learn it.

The result is that they are in denial. Research tells them that kids do learn from the boring stuff, and learn better, but they refuse to believe the research, because it would mean doing something that they don't want to do. So they invent fantasies that if they "facilitate" learning or teach things they themselves are interested in, like environmentalism or multiculturalism, the kids will learn to read and calculate by osmosis and when the bright ones perform well in spite of the roadblocks to sensible learning the teachers put up, they say, "See? We were right!"

The underlying assumption is that if the teacher is interested, the students will learn better. That is true, but the interest is misplaced. They have to be interested first and foremost in what the students need to know, and in making sure that they're as well prepared as possible to face life as adults. Fun and excitement are fine, but secondary to this, because what a student wants and likes and what a student needs are often two very different things.

George A. Blair
Cincinnati, Ohio

To the Editor:

Tyce Palmaffy's "See Dick Flunk" was a fabulously well-written piece. Not only educators are unaware of most of the research cited, so are the rest of us. Certainly I was unaware—and all this time I thought the NIH was wasting money!

Gregg Shepherd
via e-mail

Battle of the Sexes

To the Editor:

I read with extreme displeasure Elizabeth Arens's article "The Gender Refs" (Nov.–Dec. 1997). For Arens to blame Title IX and women's sports for the cutting of men's collegiate sports is unfair and inaccurate. It should be noted that Title IX does not require the elimination of any sports opportunities for men. There are many other options that colleges and universities can use to keep all of their men's sports programs operating while achieving Title IX-mandated gender equity. The Women's Sports Foundation recommends a few: Use gender equity as an opportunity to raise new funds for the entire athletic department through targeting a new demographic; reduce expenditures across the entire athletic program by requiring all sports to use a smaller piece of the financial pie; reduce costs uniformly across an entire athletic conference; or move into a lower and less expensive competitive division. Cutting opportunities for students to participate in an educational activity should be the last alternative that any athletic department considers.

Institutions choosing to compete in Division I athletics, the most competitive division in the National Collegiate Athletic Association, must be sure they can afford to field teams at this level *and* comply with federal law. To remain a Division I school while cutting men's sports is a decision to value the ego and status of Division I more than the opportunity for male athletes to participate in the sports they love.

Donna Lopiano
Executive Director
Women's Sports Foundation
East Meadow, N.Y.

Elizabeth Arens responds: My article made it very clear that Title IX as written does not require the elimination of any sports opportunities for men. The interpretation of Title IX by federal courts and the Office of Civil Rights, not the actual statute, is responsible for establishing a requirement for strict proportionality between male and female athletes as the key standard for compliance with Title IX.

This standard, while not demanding that schools eliminate male athletes, often leaves them with no choice. Collegiate athletic departments are forced by the proportionality requirement to choose between adding women's teams and eliminating men's teams.

Donna Lopiano suggests several alternatives that she claims would enable schools to avoid eliminating teams. She should be credited for recognizing that a problem exists, but her implication that schools have not tried these methods is itself unfair and inaccurate. They

Letters to the Editor

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do not rush to eliminate teams, for fear of offending alumni and students, but they have done so at an alarming rate anyway. In my view, that suggests that Lopiano's solutions have proved insufficient. For example, fundraising for women's sports remains difficult. Since women's teams have been established only recently, there is no base of older, wealthier alumni. It may take another 20 years for this "new demographic" to develop.

Lopiano suggests that financially strapped Division I schools drop to a lower division. But more than "ego and status" undergirds a school's desire to remain in Division I. Division I represents the highest level of competition in collegiate sports. Moving longstanding Division I teams down a level would force them to compete against lesser teams and would limit their ability to attract top high-school athletes. This, in turn, would further undermine their fundraising efforts and cut the revenue Division I sports bring in, which enable the school to support nonrevenue sports.

Furthermore, NCAA Division II or Division III status does not shield men's teams. The 1997 NCAA Gender Equity Study found that male athletes at Division II and Division III schools suffered nearly as many losses as athletes at Division I schools. Shedding Division I status is hardly the panacea Lopiano suggests. Restoring Title IX to its original function as an anti-discrimination statute would be a much better solution.

Already There

To the Editor:

As Mark Herring points out in his article "Virtual Veritas" (Nov.–Dec. 1997), the Internet is a potentially important archive of conservative and libertarian ideas. This potential, however, is already more of a reality than Herring suggests.

For example, there's already a growing library of complete "e-texts" of great books on-line: classics such as *The Federalist Papers, Wealth of Nations, Reflections on the Revolution in France, Democracy in America,* Frederic Bastiat's *The Law,* Lord Acton's *History of Freedom,* and the collected works of Thomas Jefferson and John Locke; modern classics such as *The Roosevelt Myth* by John T. Flynn and *Anthem* by Ayn Rand; and current texts such as the *Cato Handbook for Congress* and The Heritage Foundation's *Why America Needs a Tax Cut.*

Heritage's own Town Hall Web site (www.townhall.com) and our organization's Free-Market.Net (www.free-market.net) are two examples of Internet services that concentrate on coordinating the efforts of other individuals and organizations. The materials can be produced by anyone, and they can be found anywhere on the Internet. In fact, the decentralization of the actual data is part of what makes the World Wide Web what it is.

As of the day I write this, Free-Market.Net's database includes 1,163 resources, all organized and annotated by hand for easy searching and browsing. These resources were seen by more than 17,000 different people in October.

In a very real sense, Web sites such as Free-Market.Net are already the Internet's free-market archivists and librarians.

Chris Whitten
Exec. Dir., Henry Hazlitt Foundation
Chicago, Ill.

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Laboratories of Democracy

The Shocking Success Of Welfare Reform

by Steven Hayward

Steven Hayward, a Bradley Fellow at The Heritage Foundation, *is the author of* Churchill on Leadership *(Prima Publishing).*

Near the end of *Losing Ground*, his seminal 1984 book on poverty and welfare policy, Charles Murray lamented that "the political system's tolerance for [welfare] reform is extremely limited. . . . The number of 'politically feasible' changes that would make much difference is approximately zero."

What a difference a decade makes.

Nationwide the number of welfare cases has fallen by more than a quarter since the peak of March 1994, and over the last 18 months the fall in the caseload has accelerated to about 1 percent per month as more state welfare-reform plans take hold. It is important to keep in mind that welfare rolls swelled rapidly during the early 1990s, so many states are just now returning to the level before the caseload surged. But reductions in the early reform states such as Wisconsin, where the caseload has fallen by 55 percent since 1993, show that even further progress is possible. (See Robert Rector, "Wisconsin's Welfare Miracle," *Policy Review*, March–April 1997.)

Over the past 18 months, several other states with large caseloads have begun to emerge as welfare-reform success stories, including Tennessee, Georgia, and Florida (see table). The magnitude and speed of the caseload reduction in these leading states has exceeded the expectations of even the most optimistic reformers.

Some skeptics suggest that the booming U.S. economy and low unemployment are responsible for the shrinking welfare caseload, but they forget that the economic boom of the 1980s barely dented the welfare rolls. Clearly something else is going on.

The Sine Qua Non

These impressive results are being achieved for one big reason and a lot of small ones. The big reason is that the presumption of welfare as an entitlement, with the implicit (and often explicit) disdain for the work ethic, has been reversed. Moreover, welfare reform is revitalizing faith-based and other private voluntary organizations whose role in fighting poverty had been eclipsed by the expansion of the welfare entitlement system in the 1960s.

The small reasons are the various individual features of the state reform plans themselves. Above all, the most successful state reform programs have two features in common: a serious commitment to immediate work or real job training, and a person in charge of the program with a serious commitment to transforming welfare. This leadership from the top has been crucial to every successful effort.

Wisconsin's team effort began with Governor Tommy Thompson; other key members of this effort include Jason Turner and Jean Rogers (the former and current administrators of Wisconsin's program, respectively). In Mississippi, it was Larry Temple, the director of the Human Services Department (now head of the welfare program in Texas); in Oregon, Adult and Family Services Director Sandra Hoback (with strong private sector help from the American Institute for Full Employment, based in Klamath Falls, Oregon); in Tennessee, it was Leonard Bradley, the policy adviser to Governor Don Sundquist who helped design Tennessee's program, and Linda Rudolph, the commissioner of the Department of Human Services, which implemented the plan. And there are hundreds more unsung individuals at lower levels of the system who will emerge as heroes of welfare reform in the fullness of time.

The general political climate in the 1990s of "ending welfare as we know it" has prompted many able-bodied recipients to get off welfare rolls and onto payrolls since *before* welfare reform passed Congress last year. That may explain why some studies appear to find little overall statistical correlation between caseload reductions and particular features of state reform plans. Many states have probably reaped an easy windfall from the early reform efforts of trailblazers such as Wisconsin.

The changing nomenclature of the social-service industry reflects the emphasis on work and personal responsibility that has been central to the welfare-reform debate. Many states have emulated Wisconsin's program title ("Wisconsin Works," or W-2) to emphasize "work," "employment," or sometimes "empowerment" in the titles of their new welfare programs. California's is called "CalWORKS" for "California Work Opportunity and Responsibility to Kids"; Oregon's is called "Jobs Plus." Other states emphasize the primacy of family in their policies, such as Tennessee's "Families First" program.

Many states are grappling seriously with their obligation to get people off welfare.

The job titles of welfare caseworkers are also changing. A welfare recipient is now likely to meet with an "employment counselor," a "work assessment specialist," or a "job placement officer." This plus a new emphasis on performance measures based on private-sector management is transforming the general culture of social services. "I've been with the Department of Human Services 29 years," one Tennessee caseworker recently told the *Memphis Commercial Appeal*, "and this is the biggest change I've ever seen." Dean Curtis, the president of Curtis & Associates, a welfare-to-work placement firm, says, "In our book, message and

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culture are 80 percent of the issue."

Many of these changes may be superficial, and the social-service culture that sees welfare recipients as victim–clients has deep roots. Connecticut governor John Rowland remarked recently that "the hardest part for us is not the welfare recipients themselves, it's been the welfare workers . . . the small sector of people who just want to continue to give out checks and keep people dependent. They're still there, deep in the bowels of the bureaucracy."

Three-Pronged Attack

States are attempting three strategies to overcome bureaucratic inertia: re-education, incentives, and contracting out. Wisconsin again led the way, employing all three strategies. First, Wisconsin changed the job descriptions of social-service caseworkers. Caseworkers there are now called "financial and employment planners," and their primary job description is to help people find alternatives to welfare. Second, Wisconsin established pay-for-performance incentives: Budgets for local social-service offices are tied to reducing caseloads. And third, Wisconsin has contracted with private for-profit and non-profit companies, including Goodwill Industries, to operate several of the state's W-2 agencies.

This pattern is being repeated in many other states. Tennessee requires each welfare applicant to sign a "Personal Responsibility Plan." El Paso County, Colorado, renamed its welfare office the "Family Independence Center," and moved into the same building that houses Goodwill Industries. Like Tennessee, Colorado requires all applicants to complete an "Individual Responsibility Contract." Denver has sent caseworkers out for as much as three weeks' retraining. "Some [caseworkers] have welcomed it," one official said, "because they have always wanted to be social workers rather than eligibility counselors." Colorado's caseload has declined by nearly 20 percent over the past 18 months, more than half coming in just the last six months.

Perhaps the most dramatic means of attacking the old social-service culture can be found in Pensacola, Florida, where a citizen board has been set up to review applications for exemption from the work requirement. The citizen board, one observer noted, "is even tougher than those mean Republicans in Washington. They just don't take any excuses." Other Florida counties, including Dade, the most populous in the state, have contracted out their welfare services. (Dade has hired Lockheed.) Florida's caseload has fallen by 25 percent over the past 18 months.

Too Early for Rejoicing

Yet in the long run, merely changing the surface of the social-service culture will not be enough to keep shrinking the welfare rolls. Intensive, tough-minded policy is required. The contrast between Washington and Oregon reveals the impact of an intensive welfare-reform effort.

The most successful reform programs require immediate work and enjoy the leadership of a person with a serious commitment to transforming welfare.

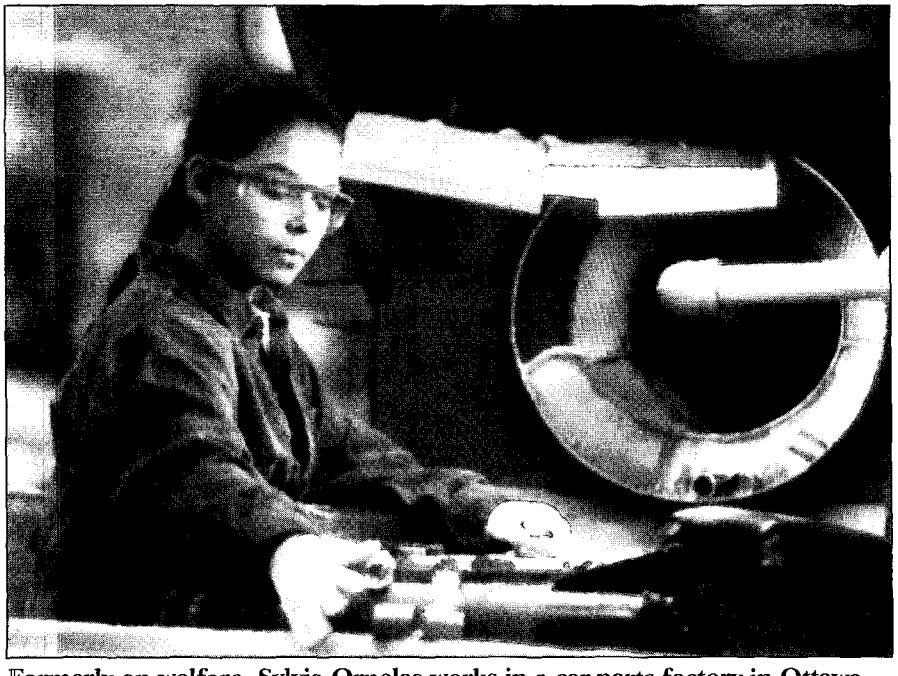
With similar demographics and booming economies, these Northwest states have starkly different records of reform. Oregon, an early starter in welfare reform, has reduced its caseload by 35 percent over the past 18 months, and by 46 percent since 1993, placing it in the top 10 states for caseload reduction. Washington's caseload has declined only 9 percent since 1993, and most of that—8 percent—occurred in the past 18 months as welfare reform became a national theme. Washington ranks in the bottom 10 in caseload reduction, below the District of Columbia.

The most palpable difference between Oregon and Washington is the former's more serious commitment to immediate work and a shorter time limit for cutting off recipients who haven't found work. Oregon has succeeded, according to Sandra Hoback, the director of Adult and Family Services in Oregon, "in changing the culture of local social-service offices."

The Lessons So Far

Like Oregon, the states that have achieved the largest caseload reductions have several features in common:

Require jobs immediately. Most states are attempting to steer welfare applicants (and current recipients) immediately into jobs instead of onto the welfare rolls—a tactic known as "diversion." The best states have a conscious strategy of requiring real jobs immediately, not lightweight "training programs," counseling, or workshops. Eleven states assign work right away, including Wisconsin, California, Florida, Michigan, Oklahoma, Oregon,



Formerly on welfare, Sylvia Ornelas works in a car-parts factory in Ottawa County, Michigan, where every able-bodied welfare recipient now has a job.

Photo by Bob Cooley

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Tennessee, and Texas. But sanctions for recipients who refuse or shirk work often vary from county to county, and several states (especially California) are lenient with exemptions and impose only small reductions in welfare benefits for recipients who ignore work requirements.

Tennessee's Families First requires either a job or a full 40 hours of job training a week. (When the program started, 5,800 recipients dropped off the roles immediately.) As a last resort, community-service jobs—genuine workfare—are being required in Wisconsin and a few other states.

Again, there is a wide variety of policies for those who fail to find private-sector jobs, along with allowances or "earned-income disregard," which in plain English means that recipients are allowed to keep some of their welfare benefits while they work. (The jury is still out on "income disregard" allowances and similar incentives. In the past, these supplements have been used merely to encourage recipients to find jobs. One recent study suggests that wage supplements may help recipients make the transition from welfare when they are actually required to find work.)

Mississippi followed Wisconsin's lead in requiring that welfare recipients find work immediately to continue to receive benefits. Similar to Wisconsin's experience, one-third never came back to the welfare office.

For faith-based and other voluntary organizations, welfare reform is an invigorating opportunity.

Mississippi also followed Oregon in providing wage subsidies for employers to hire and train welfare recipients. Oregon and Mississippi emphasize job retention. Mississippi pays the wage subsidy to employers only after a welfare recipient has been on the job for six months. (Recipients also get to keep their benefits for the first six months of employment.) Mississippi's caseload has fallen by 26 percent over the past 18 months, despite its high unemployment rate.

Impose "family caps." Twenty-one states impose family caps (that is, no increase in benefits for additional children), including Florida, Georgia, Mississippi, Tennessee, South Carolina, Virginia, and Wisconsin.

Shorten time limits. Twenty states have adopted time limits shorter than the five-year limit set in the federal welfare law, including Connecticut, Texas, Florida, Georgia, Indiana, Louisiana, Tennessee, and Virginia.

It is necessary to dig below the aggregate state figures to appreciate fully what is taking place. In a few instances, the results are staggering. Wyoming has reduced its two-parent caseload to zero. Tennessee has reduced its two-parent caseload by 77 percent. More than a third of Wisconsin counties have reduced their total caseload by more than 80 percent. And recently the *Washington Post* reported on Ottawa County, Michigan, where every able-bodied welfare recipient is working—the first county in America to achieve this goal.

Private-Sector Efforts

The Ottawa County story reveals two important factors that cannot be observed in a matrix of policy features. First, Ottawa County owes much of its success to the active involvement of churches, community groups, and neighbors. County caseworkers have paired welfare recipients with "mentors" from local churches; often several church members will become involved with each recipient. Churches have organized volunteers to provide child care and carpools for welfare recipients with new jobs. Churches have also raised money for a revolving loan fund to help welfare recipients purchase cars and other household goods.

For faith-based and other voluntary organizations, welfare reform is proving to be an invigorating opportunity. In some counties in Colorado, for example, the leading civic organization in welfare-reform efforts is the Chamber of Commerce. In other instances, new nonprofit organizations are being founded to help make welfare reform work. In Tennessee, the Institute for Responsible Fatherhood and Family Revitalization is working intensively with welfare fathers.

The second important change in Michigan's Ottawa County is the enhanced role of the county's 13 caseworkers. The caseworkers toil harder today than under the old system of handing out benefit checks. They are now required to visit families in their homes, helping to solve practical problems such as how to get to work. Caseworkers have also been able to devote more time to the tough, remaining cases. Last September, caseworkers held a special meeting with the last five

Gaining Ground

Family welfare caseloads have plummeted since the signing of the historic welfare-reform bill in 1995. Wyoming and Wisconsin lead this list of the top 15 percentage reductions by state, from January 1996 through June 1997:

Rank	State	Jan. 1996	June 1997	Change in Caseload (%)
1.	Wyoming	4,975	2,035	-59.1
2.	Wisconsin	65,386	38,138	-41.7
3.	Tennessee	100,884	64,012	-36.6
4.	Oregon	35,421	22,749	-35.8
5.	South Carolina	46,772	30,085	-35.7
6.	Montana	11,276	7,659	-32.1
7.	Oklahoma	40,692	28,271	-30.5
8.	Kansas	25,811	18,198	-29.5
9.	Louisiana	72,104	51,723	-28.3
10.	Georgia	135,274	97,885	-27.6
11.	Maryland	75,573	55,003	-27.2
12.	Nevada	15,824	11,612	-26.6
13.	Mississippi	49,185	36,144	-26.5
14.	Alabama	43,396	31,981	-26.3
15.	Florida	215,512	160,567	-25.5

Source: U.S. Department of Health and Human Services

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families without jobs; all were working at new jobs within a week.

The Ottawa County experience suggests that as we change the work ethic among welfare recipients, we might also change the casework ethic within the social-service bureaucracy. Welfare caseworkers in many offices have long complained about being overworked. Because each caseworker may have hundreds of cases, many are literally too busy to answer the phone, let alone give careful attention to individuals. As more recipients move into the work force, caseworkers should be able to dedicate more time and attention to the tougher cases. Caseworkers in many areas are still overwhelmed, but the trend is encouraging.

Moreover, welfare reform has been a boon to many states' budgets. Because the size of the federal block grant for welfare is based on caseload levels from a few years ago, those states with the biggest caseload reduction now enjoy additional funds to bolster their programs in various ways. Tennessee, for example, has actually increased welfare spending by 22 percent since 1994. Some states are putting the money into child care and transportation programs to ease welfare recipients' transition from welfare to work. Most such efforts are done through private contracting. The additional flexibility and funding that welfare reform brings will be crucial in dealing with the extremely tough cases that will remain: people lacking job skills or hobbled by addictions who will require intensive efforts to get off the welfare rolls. In other words, we may be transforming the welfare system into a program that actually serves the needs

The extra funds produced by welfare reform will be crucial in dealing with the remaining tough cases.

of the welfare population. This flexibility and additional funding has led a few thoughtful liberals, such as Mickey Kaus, to speculate that the success of welfare reform might re-legitimize liberal social policy initiatives.

Equally important as what has happened is what has *not* happened. The "race to the bottom" predicted by welfare reform's critics has not materialized. Nor has there been a massive increase in the number of homeless or destitute families, as was predicted, most notably, by the Urban Institute. It is to be expected that Senator Ted Kennedy would call welfare reform "legislative child abuse," but even the usually sensible Senator Daniel Patrick Moynihan said that welfare reform would result in "scenes of social trauma such as we have not seen since the cholera epidemics." Editorial opinion among the media was not far behind. (The *New York Times* called it "atrocious.")

But this parade of horrors never materialized; the lack of horror stories has been welfare reform's "dog that did not bark." Even urban Milwaukee, which has experienced a decline of more than 30 percent in its welfare caseload over the past four years, has seen only a marginal increase in the number of people coming to homeless shelters. Ramon Wagner, the director of Community Advocates, a Milwaukee nonprofit group that works with low-income families, says, "We thought there'd be a more dramatic impact, that if a couple thousand families lost all their incomes, you'd really see the child welfare numbers shoot up. We haven't seen that." To the contrary, child abuse and child poverty have actually declined. Milwaukee's Democratic mayor John Norquist told the *New York Times*, "Most people have underestimated the abilities of welfare recipients to work and care for their families."

Potholes Ahead

There are a number of pitfalls and weaknesses that could still retard welfare reform. California adopted a fairly toothless work requirement that only reduces the cash grant by 25 percent for people who refuse to take jobs or enroll in job training. The federal law allows states to exempt 20 percent of their caseload from work requirements, and many states grant extensions to supposedly difficult cases. Those states with a weak commitment to reform may be tempted use up their exemptions too early on recipients who might otherwise be able to work.

An excellent example of both the promise and peril of welfare reform was on display last November, when Connecticut cut off benefits for 325 welfare recipients who had reached the state's 21-month time limit. State officials there crowed that 274 of the 325 recipients leaving the welfare rolls have jobs that boost them above the poverty level. Yet 902 welfare recipients had actually reached the 21-month limit on November 1. Connecticut simply granted six-month extensions to 577; thus only slightly more than a third of those

The "race to the bottom" predicted by welfare reform's critics has not materialized.

whose eligibility had run out were actually removed from the rolls. (Connecticut lags in caseload reduction.)

The biggest exemption category is mothers with very young children. Some states are offering increased child-care assistance and other help, but many will quickly reach their 20 percent limit and will be tempted to relax the time limits, even if it means providing welfare benefits with state funds. The long-term success of welfare reform depends upon reducing this large cohort of recipients, which in turn means reducing illegitimacy.

The federal welfare-reform bill aims at illegitimacy through carrot-and-stick provisions. The sticks include the aforementioned family caps and a general requirement that mothers name the fathers of their children to receive benefits. Enforcement of this provision has not yet started in earnest. States are also supposed to target deadbeat dads through an upgraded computerized system or risk losing federal funds. Several states, including California, have missed the initial deadline for launching their systems, but Congress and HHS seem likely to relent on cutting block-grant amounts. The carrots include bonus funds in the federal block grants to states with the greatest reduction in illegitimacy.

It is too soon to tell whether anti-illegitimacy efforts will work. Most states are targeting teenage pregnancy at the moment. Some local areas are having success with abstinence programs such as Best Friends, and teenage pregnancy rates have shown an encouraging

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decline in recent months. But teen pregnancy is only a small part of the overall problem; 70 percent of illegitimate births are to mothers 20 or older. While teen pregnancy rates dropped in every state last year, only 12 states cut their overall illegitimacy rate. Says Wisconsin's Jason Turner, now of the Center for Self-Sufficiency in Milwaukee, "We might not experience a large decline in illegitimacy until we have a sustained national crusade similar to the anti-smoking campaign."

The other joker in the deck is the Clinton administration's move to impose the conditions of the Fair Labor Standards Act (FLSA) on workfare programs. This greatly complicates state plans that have genuine work-only programs (that is, states that require community service work in exchange for benefits). FLSA requires that workfare jobs pay at least minimum wage (and in most cases even "prevailing wages"), and be subject to many other burdensome aspects of employment law.

There may be a loophole, however, if states design their workfare jobs as "training" programs. Several states (including Delaware, Colorado, Washington, and Missouri, which all have Democratic governors) plan to challenge the FLSA requirements in court, and some legal experts think the states have a good chance of winning.

President Clinton and the Congress would like to take multiple bows for the good news on welfare reform. Though the passage of the welfare-reform bill in August 1996 should not be slighted, it should be remembered that by the time of the bill's passage, 43 states had received waivers for up to 10 years from the federal government to implement welfare-reform ideas that anticipated the terms of the federal bill, especially time limits and work requirements. (Thirty-one of these states have elected to continue with their waiver programs under the new law.) The welfare-reform bill was a clear case of the federal government following the states' lead. To be sure, some states, most notably California and New York, which have the largest welfare caseloads, are stumbling out of the starting gate with weak reform plans and lagging results. Even so, welfare reform is shaping up as the most dramatic and revolutionary policy change of the 1990s, and the most extensive experiment in federalism in the 20th century.

Oregon's Revolt Against Social Security

The conventional wisdom holds that nothing scares Washington politicians so much as the subject of Social Security reform, the so-called third rail of American politics: "Touch it and you die." While Washington politicians cringe, however, rising grass-roots pressure may force Social Security reform from the bottom up.

This grass-roots revolt has begun in an unlikely place: Oregon, where "Rockefeller Republican" is still a term of admiration. In May, the Oregon legislature overwhelmingly passed a resolution calling on Congress to create a waiver process that would allow Oregon to "opt out" of the Social Security system and provide individual retirement savings accounts to its citizens. Not just public employees, but *every worker* in the state. Following the vote, the editors of the usually liberal *Oregonian* newspaper gave the resolution a cautious thumbs-up: "In its current incarnation, Social Security is headed toward insolvency, and it's clear that Congress must do something soon. . . . And if [reform] happens, Oregon—by declaring its willingness to forge ahead on its own—would be right to claim some of the credit."

Federal waivers are nothing new for Oregon. The Beaver State won federal waivers for its controversial Medicaid plan and for welfare reform. The idea for a Social Security waiver began when Jose Pinera, the architect of Chile's privatized Social Security system, visited the Cascade Policy Institute in Portland in June 1996. Pinera's Chilean success story thrilled listeners who wanted to do more than simply join the chorus begging Washington to pay attention. Why not seek a federal waiver?

Of course, the federal government doesn't grant waivers from Social Security. Any such waiver would require the statutory blessing of Congress. Oregon's congressional delegation was unenthusiastic, so reformers asked the state legislature for a nonbinding resolution of support for the idea.

Steve Buckstein, the president of the Cascade Policy Institute, found the ideal champion in the legislature: Republican and Senate Majority Leader Gene Derfler, a 73-year-old retired small businessman who actually receives Social Security benefits himself. Derfler explains his enthusiasm for the idea by observing that "if you ask any young person if they expect to collect Social Security when they retire, most will say 'no.' It is not a fair situation. The federal government is not going to address the problem—they have their heads in the sand. The answer will have to come from the states, as it did on welfare reform. We would like to have the opportunity to implement a state plan."

While Congress dithers over Social Security's woes, some pressure for reform rises from the grass roots.

Overcoming Resistance

Derfler admits that his constituents resist the idea when they first hear it, thinking that they already have money earmarked in the federal Social Security trust fund. "But once they understand that we have a pay-as-you-go system that is going broke and that the private alternative is actuarially sound and will work," he says, "they change their minds." Derfler and his legislative colleagues hope to have a plan ready soon to present to Governor John Kitzhaber and the Oregon congressional delegation.

by Steven Hayward

Steven Hayward, a Bradley Fellow at The Heritage Foundation, *is the author of* Churchill on Leadership *(Prima Publishing).*

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With the help of Randall Pozdena, a former Federal Reserve Bank economist, the Cascade Policy Institute has generated several plausible projections for the privatization plan. The institute proposes placing each worker's payroll taxes into his own "Oregon Private Retirement Account," which would funnel the money into private investment vehicles such as stocks or mutual funds that would likely yield a higher return over time than the current Social Security system. The idea of a Social Security opt-out waiver for states may be more of a political strategy, however, than a serious policy proposal.

Some critics of the Oregon opt-out strategy worry that it undermines the leading conservative plan for Social Security privatization, which would allow every worker in the nation to own his own retirement account. Although the Oregon plan would provide its employees with just such an opportunity, other states that seek Social Security waivers in the future might choose merely to run miniature versions of the current federal, pay-as-you-go program. Hence the conservative rallying cry of devolution may not be the best way to advance reform of Social Security based on privatization. "We don't really envision changing Social Security on a state-by-state basis," Cascade's Steve Buckstein admits. "What this really does is put pressure on Washington to address the problems with Social Security and make reforms itself."

But even as a political exercise, the Oregon opt-out is forcing public officials to think hard about how the process of privatizing Social Security would work. The transition to individual state plans would be bumpy, but many of the problems faced by the states would also face the nation if it privatizes Social Security.

The Hurdles

Any state plan for opting out of Social Security would have to address a number of transition problems. Oregon would have to assume its pro-rated share of the nation's unfunded obligation for current benefits and also pay the Social Security benefits due to its own current recipients and imminent retirees. (Older workers will not have time to accumulate enough savings to equal or surpass the level of Social Security benefits.)

Assessing a pro-rated share of the existing liability for Social Security may be the knottiest problem for the federal government and many states. The federal government would be loathe to give up the payroll tax revenue from high-income, high-employment states such as Connecticut that, in effect, subsidize other states with high numbers of retirees, such as Florida. And states like Florida would hesitate to assume their share of Social Security liabilities. Oregon's ratio of payroll taxes to payout appears to be nearly even, so its withdrawal from Social Security would not affect the national Social Security fund balance.

The Cascade Policy Institute proposes that benefits to current and imminent beneficiaries be paid for by maintaining the current payroll tax on employers for 23 years and placing those funds in the same higher-return investment pool as the other private accounts. Conservatively assuming a 3 percent real rate of return, the plan would be able to pay current and imminent Social Security recipients. Under these assumptions, individuals enrolled in the new plan would eventually enjoy retirement benefits 10 percent higher than Social Security; at a 5 percent real rate of return, they will enjoy 50 percent more income than Social Security would offer.

Fifty State Plans?

A number of issues still need to be resolved before Oregon's state opt-out plan can be considered realistic. For instance, what safeguards and restrictions on retirement savings investment will be necessary to prevent fraudulent or imprudent investment? And what would happen to workers who move into or out of Oregon? Workers leaving the state might face the prospect of losing some of their retirement savings unless Oregon persuades Social Security to allow workers who leave the state to remain enrolled in Oregon's plan.

Oregon's "opt-out" proposal will force the advocates of privatizing Social Security to think hard about its transition problems.

Senate Majority Leader Gene Derfler is leading Oregon's bid to become the first state to leave Social Security.

The prospect of each of the states negotiating with the federal government, or with each other, over how to reconcile 50 retirement plans with a mobile work force begs the question of whether the state-by-state opt-out approach is the best way of reaching the ultimate goal of allowing individuals to own their own retirement plans. But the opt-out strategy is a good way for state-based think tanks and grass-roots organizations to join the reform bandwagon and bring the issue to the attention of the public. The American Legislative Exchange Council is recommending the Oregon resolution as model legislation for other states, and policy groups in several states, including Minnesota, Indiana, South Carolina, Alabama, Kansas, and California, have expressed interest in emulating Oregon's resolution.

Moving the idea ahead will certainly require more states to bring pressure on Congress to enact a waiver process. Derfler and other Oregon legislators have been in contact with members of Oregon's congressional delegation. Senator Gordon Smith and Representative Denny Smith have expressed support for the idea, but have no plans at present to introduce legislation or push for hearings. That third rail is still glowing in Washington.

For more information or for a copy of Randall Pozdena's report, contact the Cascade Policy Institute at 503-242-0900, or at its Web site: www.CascadePolicy.org.

Illustration by Kathryn Vierra

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Virginia's Free-Market Environmentalist

A maverick state official riles the Left with a cooperative approach to looking after natural resources.

by Greg Fossedal and John Shanahan

In environmental circles, mere mention of Becky Norton Dunlop's name always gets a strong reaction. "She's in with the far Right," says Daniel Barry of the Environmental Working Group. The *Washington Post* says that Virginia's top official for environmental protection "is no tree-hugging greenie. [She's] more James Watt than Al Gore, more gun club than Sierra Club."

In fact, the free-market environmentalist has become so controversial that James Gilmore, the conservative Republican governor-elect of Virginia, promised during his campaign that, if elected, he would not reappoint her as head of the secretariat for environmental protection and natural resources. But as Dunlop's term winds down, she leaves behind a highly successful model of how a state can encourage a safe and clean environment without sacrificing freedom or economic growth.

When Republican governor George Allen took office in 1994, he appointed Dunlop to head the departments responsible for environmental protection, natural resources, and recreation. Over the next four years, she compiled a legacy of cleaner air, cleaner water, fewer hazardous sites, more volunteerism in the parks, and an improved relationship between business and state regulators. In a system of environmental protection that relies heavily upon cooperation between the regulators and the regulated, the last achievement cannot be emphasized enough.

Dunlop first earned the ire of the green movement during the Reagan administration, when she served first as the number-three official at the U.S. Department of the Interior and later as the Assistant Secretary of Fish, Wildlife, and Parks. There she was instrumental in developing the policy that led to President Reagan's Executive Order 12630, which requires federal agencies to determine whether any of their actions represents a "taking" of property from its owners. If so, the U.S. Constitution requires the government to compensate owners for their losses. Green groups vigorously oppose compensating owners.

Now as then, Dunlop does not flinch from applying conservative principles, particularly when it comes to protecting the environment. Her actions threaten the core principles of green activists, many of whom believe the only way to avoid a polluted planet is through heavy-handed regulation and collectivist economic policy. The *Washington Post* has tried to blame her for the pollution caused by a major Virginia hog producer, even though her hands were tied by a consent decree the producer had signed with the previous (Democratic) administration.

Cleaner Air

In the early 1990s, Richmond's air quality had deteriorated to the point that the federal Environmental Protection Agency (EPA) classified the city as a "moderate non-attainment" area. This means that its air pollution exceeded federal safety standards too frequently. The air pollution of Northern Virginia, a suburb of Washington, D.C., was classified as "serious non-attainment." Under the traditional, adversarial model of pollution control, the state would impose strict controls and fines without serious regard to their economic costs. Under Dunlop, Virginia aggressively implemented a more cooperative approach to environmental protection that finds little favor with the EPA.

It worked. The air quality has improved, and Richmond now qualifies for re-designation as "in attainment" with federal law. State officials point out that they now "have pretty clean air in Virginia." But cleaning it up and keeping it clean has been an enormous challenge. The state's highest priority was to improve air quality in the summers, when for a few days each year, heat and other weather factors threaten to cause unhealthy levels of a pollutant called ozone.

This situation is a temporary phenomenon greatly affected by auto emissions. Dunlop realized that the key to healthy air during the summer is to reduce the pollution from autos on those few days a year when weather conditions conspired to create unhealthy air. So she devised a new solution that she hoped would work better and is consistent with her philosophy of cooperative government.

Last July, Virginia's approach was put to the test. For several days, Richmond's air was declared "Code Red" and in danger of reaching what EPA considers unhealthy levels—ozone levels exceeding 0.12 parts per million (ppm). This situation threatened the

Illustration by Kathryn Vierra

Becky Norton Dunlop found ways to protect Virginia's environment without sacrificing its economy.

Greg Fossedal is the chairman and chief executive officer of the Alexis de Tocqueville Institution, in Arlington, Virginia. John Shanahan is the director of legislation and policy at the American Legislative Exchange Council, in Washington, D.C.

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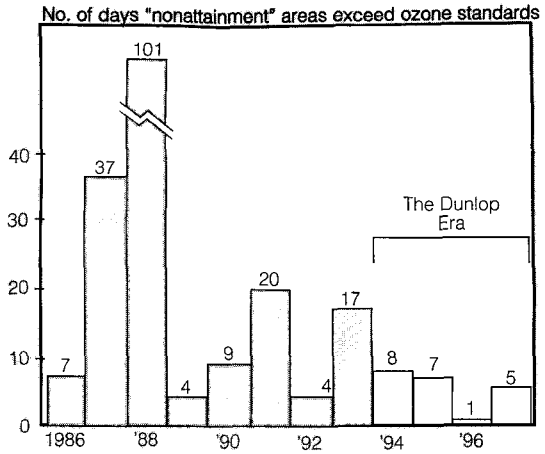
city's bid to be re-designated as "in attainment." Virginia officials alerted large businesses in the area to the problem and activated a network they had in place for just such a situation. The state urged companies to ask their workers to telecommute. They also encouraged car pooling and other measures that would reduce the amount of vehicle traffic on Richmond's roads. With the cooperation of business, traffic was extremely light on those days.

Virginia also suspended all road work in the area by the state transportation department, because this work increases traffic congestion and therefore car emissions. The result was that Richmond avoided violating ozone levels and protected its residents' health without penalizing businesses.

A Legacy of Cleaner Air

Under Dunlop, Virginia has cut the number of days each summer that its most polluted areas—Richmond, No. Virginia, and Hampton Roads—exceed federal ozone standards.



Source: Commonwealth of Virginia

In the four years since Dunlop assumed responsibility for air quality in the Commonwealth of Virginia, it has improved immensely. Since 1994, Virginia exceeded federal air safety standards only 29 times anywhere in the state. Not a single monitoring station violated the Clean Air Act's prohibition against more than three so-called exceedances within the last three years. By contrast, in the four years before Dunlop's arrival, the monitoring stations recorded 46 exceedances all over the state, and from 1991 to 1993 30 percent of them recorded violations of the Clean Air Act.

Preventing Pollution

Another voluntary program has proved successful in preventing pollution. Officials at Dunlop's Department of Environmental Quality regularly visit factories to help them reduce their emissions while saving money. They inspect the facilities, then devise a voluntary plan of how the company could improve its operations. The plan suggests what the company should do, how much it will cost, and estimates how much the agency thinks the changes may save the company.

Savings attributable to the program cannot always be quantified because some improvements may be attributable to other production changes. But where they can be measured, the results demonstrate the power of the voluntary approach.

One company located on the Dan River made changes to its processes after working with Dunlop's staff. According to Bill Sarnecky, a chemical engineer with the state, "The quality of the river has improved as a direct result of the change," improving biological conditions in the river.

Dan River Mills, like other textile plants, owns high-speed machines that run fabric through for printing colors and other processes. To keep the fabric from bunching, the plant stiffens the fabric with polyvinyl alcohol (PVA), which is later washed out of the material. PVA is more environmentally-friendly than starch, the most popular "sizing agent," but it harms aquatic life by taking oxygen out of the river. The chemical also releases methanol into the air when it's boiled for the first time. The company had no legal obligation to reduce its discharges of PVA, but Virginia showed it how to save money by using a "reverse osmosis unit," which runs the plant's wastewater through a membrane to capture pollutants like PVA before discharge.

Although they are very expensive, the machines can capture PVA for reuse, reducing the need for costly virgin PVA. In addition to saving money on virgin PVA and reducing water pollution, the company cut its airborne emissions because recycled PVA contains no methanol. Like many other Virginia firms, Dan River Mills has proven that good environmentalism can also be sound business that helps the bottom line.

Cleaner Water

Virginia's rivers are now among the cleanest in the nation. According to EPA documents, the water quality in more than 90 percent of Virginia's rivers is good, compared to 64 percent nationwide. Last month, an independent review panel released the results of an in-depth examination of Virginia's water quality. They concluded that the commonwealth's surface water program and its program to control water pollution from industrial sources are both models for the rest of the nation and recommended they be brought to the attention of other states.

Alan Moghissi, the chairman of the review panel and a respected scientist who regularly conducts federal reviews of environmental technologies, says of Virginia, "They have one of the best [water quality] monitoring systems in place." Dunlop is responsible for this. She dramatically increased the number of water-quality monitoring stations and improved the system of collecting pollution data so that regulators are armed with information much more quickly than before.

Dunlop's most controversial move as the Secretary of Natural Resources was also instrumental in improving water quality. She reorganized and decentralized the Department of Environmental Quality to create "one-stop" regional offices for regulatory compliance with state environmental policies. This move riled many within the department and the environmental community because many of the state's regulatory jobs were moved from headquarters out to the regions. But these very changes made regulators more accessible to those they regulate. More importantly, decisionmaking became more sensitive to the problems that regulators encounter. In Moghissi's view, there is "ample evidence to demonstrate that [water] quality has improved in the last four years. The organizational change is the primary reason for her

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success. She brought the regulators close to the people. People abide more by the rules and they are happier doing so. That, to me, is the dominant reason the water quality has improved."

Difference of Philosophy

Virginia's emphasis on cooperation has not only improved its air and water quality, but also helped increase volunteerism at its parks. For the first time in the state's history, volunteers spent more than a 100,000 hours last year assisting visitors and cleaning up parks and trails. As Kathleen Lawrence, the director of Virginia's Department of Conservation and Recreation, says, "Without the volunteers, the trails would accumulate litter until the parks closed for the season. These volunteers work to clean the trails from spring through fall. As important, when people volunteer, they take ownership and watch out for things going on in the parks. The parks are a better experience for visitors as a result."

Dunlop believes in results-oriented environmentalism. The federal EPA levies stiff fines on polluters and then sends the money collected to the federal treasury. In contrast, Virginia signs consent decrees with environmental "bad actors" that compel violators to reinvest fines in environmental improvement. Dunlop also doesn't shrink from targeting government entities, which are often among the worst polluters. Says Rob Gordon, the executive director of a market-oriented conservation group called the National Wilderness Institute, "Becky Dunlop is the first government official to break with the wage-and-price-control mentality. Her goal is to bring about real environmental improvements, not to fatten the bureaucracy or state coffers."

Her goal also is to encourage economic growth. If the economy stagnates, so does interest in environmental protection. Studies have shown that wealthier nations have less pollution. As she is quick to point out, rising living standards and economic growth can actually improve the environment. She notes that when new car purchases go up, air pollution goes down because newer cars are far less polluting than the older cars they replace. Of course, a healthy economy also improves their overall quality of life.

An EPA official admits that "Virginia has been a good partner in cleaning up the environment."

The EPA Lauds Virginia

Virginia's approach works. Mike McCabe, the EPA regional administrator who oversees Virginia, has resisted the state's approach because it runs counter to the agency's preference for stricter controls, heavy fines, and aggressive enforcement to combat pollution. Yet he reluctantly admitted earlier this year on the PBS show *TechnoPolitics* that over the last five years "Virginia has been a good partner in cleaning up the environment." Dunlop has shown that innovative ways to protect the environment work. And they do so without putting government at odds with business. Her methods remain controversial, but as McCabe was forced to admit, her results are not.

The Board of Directors of the Mont Pelerin Society
Announces the

Friedrich A. Hayek Fellowships

for the
1988 GOLDEN ANNIVERSARY MEETING OF
THE MONT PELERIN SOCIETY
(Washington, D.C. Aug. 30 – Sept. 4, 1998)

Mont Pelerin Society late presidents, F.A. Hayek and Bruno Leoni, emphasized in their legal thought that polycentric and evolutionary law, such as Law Merchant and the Common Law, were essential to liberty and prosperity:

"Entering the Twenty-first century, what modern choices in legal relations are becoming available consistent with the dynamic market process?"

The Hayek Fellowships will be awarded for the three best essays on the above topic. Essays of 5,000 words or less may be submitted by students or faculty members 35 years of age or younger. The essays will be judged by an international panel of three senior members of the Society. The deadline for submission of essays is April 30, 1998.

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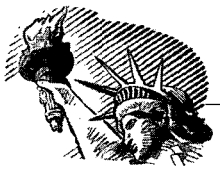

The Family Benefits of The PC Revolution

One night a couple of years ago, Madeline Shea's infant son woke up crying. Congested and cranky, he gave Shea a scare, and left her in a quandary. It was 3 A.M. Should she take him to the emergency room? Should she wake up her family doctor? Should she just do nothing?

Fortunately, she had another alternative. Shea sat down in front of her Macintosh computer, typed an e-mail to her doctor, and then went to bed. Within a few hours, she received an e-mail in reply reassuring her that her son's sniffles were perfectly normal. "I feel like I have a direct line to my doctor at any time of the day or night, but without annoying him or interrupting him," Shea told *USA Today*.

Furthermore, by conducting some of her conversations with her doctor by e-mail, she can easily print a copy of important information for her husband, baby-sitter, or pharmacist to read. University of Kentucky researcher Richard Neill conducted a survey of 117 patients like Shea who use e-mail to talk to their doctors. He found patients most valued how e-mail made it easy to get prescriptions filled, obtain lab results, and make appointments. Nine of 10 had discussed medical problems with their doctors via the Internet.

When considering the relationship between entrepreneurial capitalism and the quality of our everyday lives, the most obvious place to start is the computer industry. It presents some of the most inspiring and enlightening stories of entrepreneurship in modern times. Personal computers, for example, have become so ubiquitous as to fade into the background of our daily lives. And if Bill Gates and other techno-futurists are to be believed, this trend will only continue as computers physically merge with clothing, furniture, and houses.

by John Hood

John Hood is the president of the John Locke Foundation, in Raleigh, North Carolina, and the author of The Heroic Enterprise: Business and the Common Good *(Free Press).*

The Bountiful PC

Stories like Shea's are useful because they help make the abstract concrete and put a human face on issues that all too often seem technical and esoteric. Consider these underappreciated benefits of the spread of personal computers:

- PCs have given families more power over their own finances. Quicken, which has given software designer Intuit 75 percent of the market for personal finance, now helps millions of people balance their checkbooks, track investment earnings, compute their taxes, and plan for the future. In many cases, these are services that families used to have to purchase from financial institutions, accountants, or other providers.
- PCs are one likely cause of the growth in home-schooling in recent years. During the 1996-97 school year, more than 1 million children were taught at home rather than at elementary and secondary schools, according to the National Home Education Research Institute. That's more than triple the number of home-schooled kids in 1990. While other factors are no doubt helping to drive this trend, the growth in usage of PCs, educational software, and the Internet during the same period must be more than a coincidence. As one home-schooling friend of mine put it, PCs don't create the desire for parents to home-school their kids, "but they reduce the costs for doing so significantly." The *World Book Encyclopedia*, for example, costs hundreds of dollars in bound volumes but only $50 on a CD-ROM.
- PCs have fueled a boom in small-business start-ups, particularly those based in the home, which account for a third of all new firms. From an estimated 6 million home-based businesses in 1980, the ranks of the home-based self-employed grew to more than 30 million by 1994. They use PCs to keep their books, contact new customers, and correspond with contractors. Henry Davis of Natick, Massachusetts, started a strategic marketing and consulting firm for high-tech clients out of his home after his employer laid him off. "I asked myself why I should beat half my brains out and make money for someone else," Davis says, "when I could beat half my brains out and make money for myself, plus have more time with my family." Without the PC, Davis wouldn't have had this choice.
- PCs have created new markets for educational entrepreneurship. Educational software for home computers now represents a $600-million-a-year business, bringing in almost as much revenue as computer games. Computer-assisted learning has been particularly helpful to children with learning disabilities or other special needs.
- PCs help explain why American families have easy access to more retail goods and services than ever before. Part of the reason is that retailers now use PCs and terminals, networked with regional or national computer systems, to track their inventories and keep store shelves full of the goods consumers want. Computers have also revolutionized the mail-order industry, which can now offer more goods and deliver them much more quickly because of inventory and order-processing software.
- PCs cut Mark Gelman's phone bills. Gelman, a New York architect, has an 8-year-old son and 6-year-old daughter. Both correspond via e-mail with friends

Nothing demonstrates better the capacity of entrepreneurial freedom to improve our lives than the PC revolution.

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they met at summer camp, rather than calling long distance. "My kids are more comfortable with e-mail at the grade-school age than I was at 35," Gelman says. "They don't hesitate to tap out a conversation which I would normally conduct on the phone. They love it. I know it has accelerated their reading skills."

Yes, PCs and the Internet have their downsides. They are often used frivolously, even by businesses, and offer such socially uplifting fare as hard-core pornography and discussion groups on bestiality. But on balance, computers have brought a breathtaking array of benefits to American families and businesses. We've barely seen the tip of the iceberg. The World Wide Web, the fastest-growing and most consumer-friendly part of the Internet, is quite young. As recently as June 1993, there were fewer than 200 Web sites. Today, there are close to a million, and about two-thirds of them are commercial sites. Furthermore, nearly two-thirds of all households have yet to purchase a home computer, but many are likely to do so in the near future as the Internet, television, cable, and telephony merge into a single spectrum of consumer "packages."

Computer Entrepreneurs

But is it fair to consider the computer revolution to be an example of private-sector innovation? Wasn't the Internet, for example, a creation of the federal government?

Computers, it turns out, illustrate perfectly the historical relationship between government and private enterprise when it comes to technological innovation. The Internet was, in fact, the product of a government program—a frantic effort to come up with a way for the military's command-and-control system to survive a nuclear strike by the Soviet Union.

Engineer Paul Baran, working at the nonprofit RAND Corp., finally came up with the solution in the early 1960s and published it in a 1964 article called "On Distributed Communications." He proposed a survivable "network of unmanned digital switches implementing a self-learning policy at each node, without need for a central and possibly vulnerable control point, so that overall traffic is effectively routed in a changing environment." The result, carried out first among defense installations and universities, was what we now call the Internet.

But making the Internet a broad-based phenomenon rather than a cloistered forum for academics and eggheads required private, entrepreneurial firms—such as Netscape, Microsoft, Apple, and Sun Microsystems (the creator of the widespread programming language Java)—to design the platforms that make people able and willing to go on-line. Without the efforts of commercial on-line services such as America Online and pathbreaking PC manufacturers such as Gateway and Dell, most Americans would still be off-line and wondering who had spun the World Wide Web.

The personal-computer revolution was truly born out of garages and dorm rooms, not government labs. Paul Allen and Bill Gates got the idea for starting Microsoft from an article in the January 1975 issue of *Popular Electronics.* That same year, Steve Jobs and Steve Wozniak built and marketed the first Apple computers in the Jobs family garage. In 1983, Scott Cook and Tom Proulx founded Intuit with little more than their paltry savings accounts and the idea of marketing personal finance software to families and small businesses.

Also in 1983, a college freshman at the University of Texas began tinkering around with IBM PCs in his spare time. Michael Dell had enrolled as a pre-med student, but couldn't get his mind off motherboards and floppy disks. Picking up outmoded PCs cheaply from local retailers, he would lug them up to his dorm room, upgrade them, and then sell them door-to-door to local law firms and small businesses. One day Dell's roommate piled his ever-growing inventory up against the door. "He was kind of frustrated, I guess," Dell confided later to *Fortune.* "So I moved."

Dell dropped out of college after his freshman year (not an uncommon fate among impatient high-tech entrepreneurs) and sold $180,000 worth of PCs his first month in business. From there, his fortunes rose meteorically. The firm raised $30 million in an initial public offering in 1988. By 1992, Dell Computers was doing $2 billion worth of business a year. Now, at 32, Michael Dell is worth $4.3 billion and heads a company with $12 billion in sales and nearly 10,000 employees at its headquarters in Austin, Texas. Dell Computers is the third-largest computer maker in the world, thanks to a low-cost, direct-sales model—a "just-in-time" manufacturing enterprise that was itself made possible by the computer revolution.

The Role of Government

There has been and always will be some degree of interdependence between government-sponsored innovation and private-sector enterprise. History is full of examples. The smelting of ore was likely motivated to a large degree by the need for stronger, sturdier weapons and armor, but new techniques were quickly put to use in agriculture, animal husbandry, and the manufacture of household and luxury products. On the other hand, the chariot, which revolutionized warfare in the ancient world, was an adaptation of the farmer's simple ox-cart. In shipbuilding, metalworking, and most recently aviation, both governments and industry have historically had an interest in new ideas and invested in them in mutually beneficial ways.

Similarly, while some of the elements of the computer revolution originated in defense projects and universi-

It took entrepreneurial firms to entice PC users on-line and make the Internet a broad-based phenomenon.

ty labs, their application to our everyday lives has been largely the work of profit-seeking entrepreneurs like Gates, Jobs, Cook, and Dell. What business brings to technological innovation is a relentless focus on the bottom line: the need to turn abstract ideas into concrete benefits for the consumers businesses must satisfy. Without that focus, computers would probably still come in kits, and the Internet simply would not exist in the form we know it today.

Perhaps *BYTE* magazine, in its 20th anniversary issue a few years ago, had it right when it included the following among the computer's 20 greatest contributions to society: "Computers have created an industry that provides jobs for thousands of intelligent people who might otherwise be burdens on society—or worse, government bureaucrats. Thank your lucky stars."

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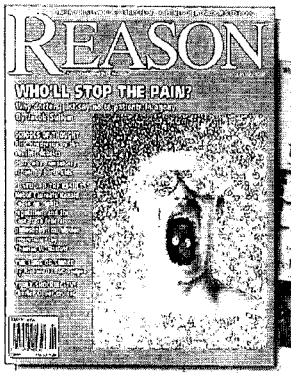

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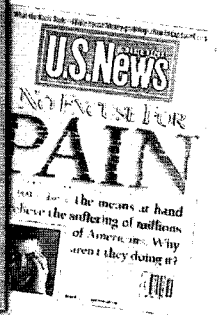

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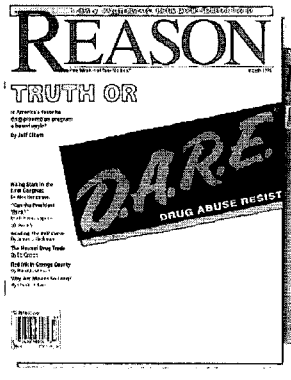

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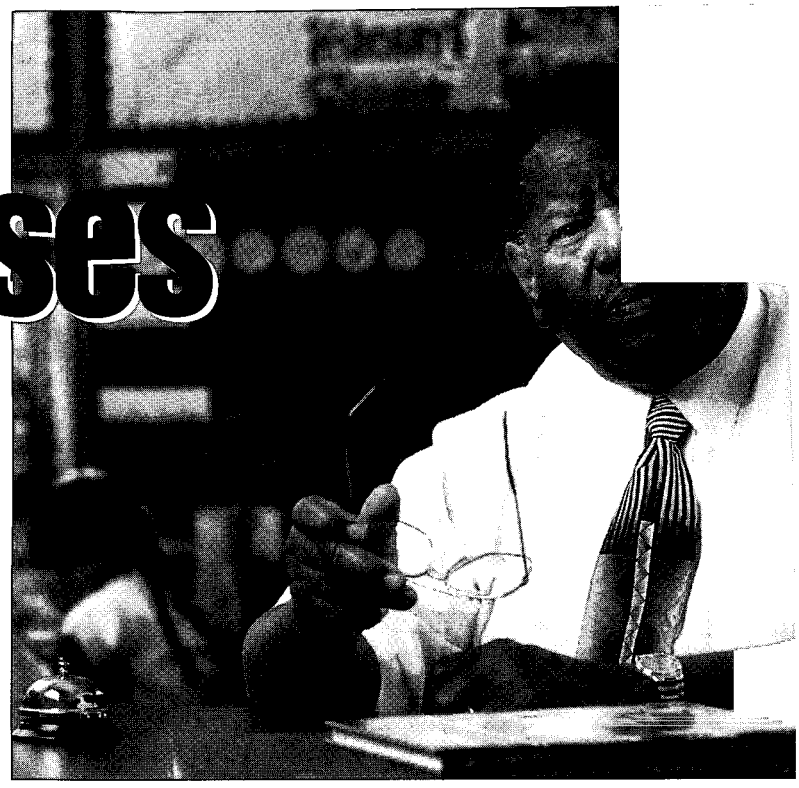

Houston educator Thaddeus Lott puts failing schools to shame

By Tyce Palmaffy

Gayle Fallon wanted to give her 10-year-old godson a measure of stability in life. With a father who had compiled a long record of felony convictions and a mother imprisoned for shoplifting after two prior convictions for drug possession, the boy had shuffled in and out of foster care since birth. To worsen matters, he was languishing in the chaotic environment of a dismal urban school. Fallon, the president of the Houston Federation of Teachers, knew that without a decent education, her godson might stumble along the same destructive path his parents had followed. So in 1994 she secured him a spot at Mabel B. Wesley Elementary, an innovative public charter school on the outskirts of Houston.

"I love that program," Fallon says. "I wouldn't invest my godson in it if I didn't."

Fallon's praise evokes a sun-dappled public school set against a leafy suburban backdrop. And so would Wesley's manicured lawn, pristine brick facade, and buffed floors—if you ignored the barbed-wire fencing and boarded-up houses encircling the school. In fact, Wesley Elementary serves the violent, drug-infested Acres Homes section of Houston. All of its students qualify for federal Title I education funds earmarked for disadvantaged children, and its student body is 99 percent minority (93 percent black, 6 percent Hispanic). The lives of many closely mirror that of Fallon's godson.

We have come to expect mediocrity from schools whose students are saddled with such tragic circumstances. But since Thaddeus Lott became its principal in 1975, Wesley has graduated thousands of children whose reading and math scores rival those of their suburban peers. Before Lott introduced his educational philosophy, only 18 percent of Wesley's third-graders were scoring at or above grade level in reading comprehension on the Iowa Test of Basic Skills. By 1980, 85 percent were achieving at or above grade level. In 1996, 100 percent of Wesley's third-graders passed the Texas Assessment of Academic Skills (TAAS) in reading. Statewide, fewer than 70 percent of third-graders in schools with similar demographics passed.

To achieve this astounding turnaround, Lott eschewed popular nostrums—computers, school-to-work initiatives, parental involvement—for the basics: a proven curriculum, rigorous teacher training, strict discipline, high expectations of teachers and students, and a fervent belief that any child can learn.

"It's a myth," says Lott, "that if you're born in a poor community and your skin is a certain color that you can't achieve on a higher level."

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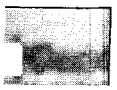

Having succeeded at Wesley, Lott wanted to vindicate his beliefs at other troubled schools. In this desire the community saw an opportunity to have every Acres Homes child schooled by Lott. So its residents petitioned the Houston school board to allow Lott to manage Wesley and three neighboring schools as a separate district of charter schools. The contract was signed in spring 1995, making Lott's district the first charter-school arrangement of its kind in Texas, predating even the state law encouraging communities to establish charter schools. The charter's goal: To have 70 percent of all children who have spent three years in the charter system scoring at or above grade level.

The charter gives Lott total freedom to train staff, develop a curriculum, and make hiring, firing, and promotion decisions at the four schools. The charter "allows us to feel like we're not committing a crime by doing things differently," says Lott. "It does not release us from accountability, though. We have a three-year contract, and the community expects results." As the equivalent of a district superintendent, Lott reports directly to the superintendent of Houston schools, enabling him to sidestep several layers of bureaucracy.

Only $2,500 Per Child

It is 8 A.M. at Wesley, and Mary O'Connor's third-graders are in a hurry. They are leaving on a field trip at 9, and there's plenty of learning to do before then. Not a moment is wasted as they correct their math homework, recite vocabulary lists, and read from a novel, Laura Ingalls Wilder's *Little House on the Prairie.* By 9 A.M., they have accomplished more than many classes do all morning.

This is the typical classroom at Wesley: The pace is quick, the goals are set high, and no disruptions are tolerated. "We have a lot of ground to cover," says Lott. "The success of these kids depends on the percentage of time they are on task. We can't let one or two students disrupt the educational experience." The first lesson Wesley kids learn is how to walk through the halls quietly, single-file with hands folded. Fighting is forbidden.

The pace is rooted in the curriculum. Upon entering Wesley as principal, Lott purchased the Direct Instructional System for Teaching and Remediation (DISTAR), a program developed at the University of Illinois during the 1960s. Known now as Reading Mastery and Connecting Math Concepts, it is based on the direct-instruction model of teaching, in which students and teachers engage in a lively, interactive regimen of structured drills and sequential lessons, each building on the last. DISTAR's phonics-based reading lessons are literally scripted for the teacher, who is required to ask 200-300 questions per day, often in rapid-fire sequence. The children's high-decibel choral responses may sound like a high-school cheerleading squad hopped up on No-Doz, but they are learning the relationships between the sounds and the letters that constitute the English language. And there's no quibbling with the results at Wesley.

During Lyndon Johnson's "War on Poverty," the federal government began Project Follow Through, which spent $500 million and many years investigating the most effective pedagogy for disadvantaged students. It concluded that direct instruction was the only method that even came close to elevating poor readers to the 50th percentile in achievement. Child-centered approaches that diminish the teacher's role in the classroom and reject the teaching of basic skills finished in the cellar. Ironically, researchers also found that direct instruction elevated students' self-esteem far more than the child-centered methods that ascribe a central role to high self-esteem and maintain that self-esteem suffers in heavily controlled, teacher-directed environments. Disadvantaged students succeed more often with direct instruction, however, and Lott knows that achievement builds self-esteem, not the other way around.

Direct instruction works so well that Lott steers just 3 percent of Wesley students into special-education classes. By comparison, 10 percent of all Houston schoolchildren are labeled special ed.

Houston schools can mask poor achievement by inflating their special-ed ranks because special-education children do not count toward a school's average TAAS scores. Lott refuses to engage in such subterfuge. By exempting only 3 percent of its students for special ed, Wesley's TAAS scores represent more than 90 percent of the student body (a small percentage of Hispanic children are exempted for taking the test in Spanish). Only five of 242 other Houston schools test more children; most test well below 70 percent.

"Other principals hire remedial teachers," says Phyllis Hunter, manager of reading instruction for the Houston school district. "Thaddeus hires teachers who keep kids out of remedial classes." In fact, Wesley retains just one special-ed teacher, which helps to trim its costs to an average of $2,500 per child—nearly $1,000 less than the district average. "We've always done more with less," boasts Lott.

Lott held to his faith in basic skills while his counterparts swooned over the now-discredited "whole-language" theory of reading, which disavows explicit phonics instruction and views teachers more as "learning facilitators" than instructors. "People started teaching without ever giving kids any decoding skills," Lott says. "They gave them a bunch of books and said, 'Read.' That was the fallacy of the whole-language bandwagon."

So many educators jumped on this bandwagon that Lott, in the pre-charter era, had to run candy sales and forgo technology upgrades to purchase DISTAR because it was not on the state's list of ap-

All photos by Rocky Kneten

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proved curricula. Now the charter allows him to spend his precious curriculum dollars on whichever program he deems best.

Holding Teachers Accountable

In fact, Lott defies convention at every turn. Tracking—the practice of grouping students by skill level—has been accused of pigeonholing students into rigid categories. The first action Lott took as principal was to test his students, rank them by instructional level, and place the top 22 students in one class, the next 22 in another, and so on. The students in each class comprise, at most, three skill levels, making it easier for teachers to tailor their lesson plans to the individual needs of their students.

"If you don't teach a child on his instructional level," Lott says, "you will teach him at his frustration level. A child's self-esteem and success at learning are determined by his having an opportunity to be taught at the rate and level that he is capable of being taught."

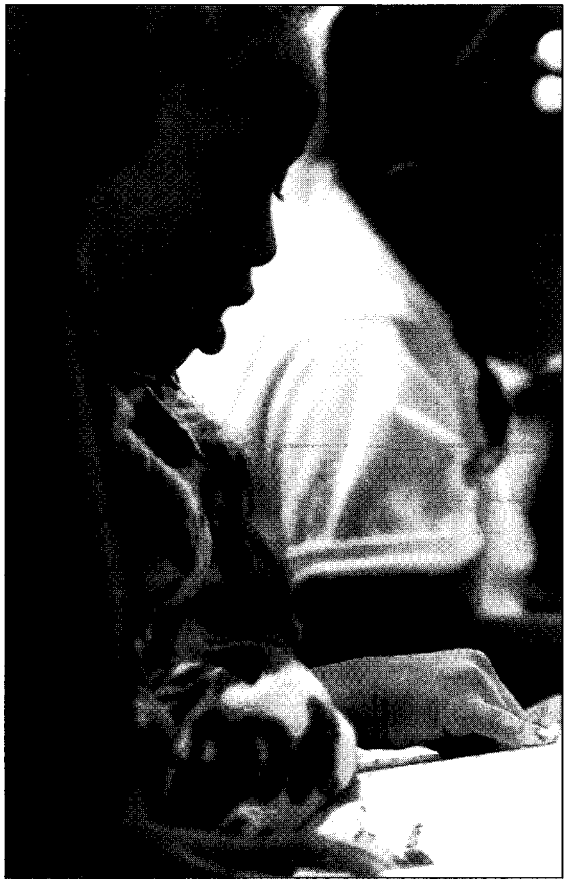
Moreover, few school districts rate teachers based on performance, yet Lott demands accountability. Early in his career he began testing children at the beginning and end of each school year. By breaking the scores down by classroom, he knows which teachers are succeeding. His personnel decisions and merit bonuses are based on the results. Often he will even post the average student scores achieved by each teacher. "Now that's peer pressure," says Karen Anastasio, a reading specialist at Wesley.

Teachers are also subject to unscheduled visits from Lott and current Wesley principal Suzie Rimes, who checks on each classroom at least once a day. On one of the days I spent at Wesley, Rimes found a teacher who had not checked her students' homework. "She's got a short-lived existence here," Rimes said. "If she can find a place to pay her to do what *she* wants to do, more power to her." New teachers, in particular, can expect to be observed two to three times a day.

"New teachers don't come equipped to teach" upon graduation from education schools, says Lott. "So we have a lot of training focused on teaching teachers how to teach. They get so little field practice in college."

Underlying these policies is Lott's conviction that if a child does not learn, it is the teacher's fault. "I'm in the education business," says Osborne Elementary principal Ann Davis, another of the Lott disciples in charge of the four charter schools under his management. "If I'm not doing my job, I need to be put out of business."

These lofty expectations would merely provoke resentment among teachers if Lott did not equip them with proven strategies. New teachers attend several days of training before school begins, and Lott will release them from classes for a week to observe an experienced teacher if they need to. "Teachers need to be trained," Lott insists. "They need to know that they are supported." The school year is replete with opportunities for further training and time to share strategies with colleagues. "You can't as a teacher fail at Wesley unless you don't want to do the program," says Gayle Fallon, the head of the teachers union.



Poverty does not hold back students at Wesley Elementary: More than 90 percent pass Texas state reading tests.

But Fallon warns prospective teachers that if they want to interpret their contracts literally, Wesley is not the place for them. "I tell them, 'You're going to work through lunch, past 5 P.M., and on Saturdays. But you're also going to get disciplinary support, the materials you need, and all the training you require,'" Fallon says. Wesley typically loses four to six teachers at the beginning of each year because they dislike the program or fail to meet Lott's standards of competence.

The workload is heavy because students must be graded in five subjects each day. And a linchpin of direct instruction is that students are tested

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often to ensure they have mastered the material before moving on. These measures enable teachers to give students feedback on their mistakes. It's no use, Lott says, to have kids practicing bad habits. Or to have them turning the page without having learned the previous lesson. But it also makes the job of teaching that much harder.

The demanding hours and pressure to perform take their toll. The majority of Wesley teachers have fewer than five years of teaching experience, while the average Houston teacher has spent 12 years in the same school. According to Lott, the problem is competition: "We're surrounded by plenty of less rigorous schools that love to take the teachers we've already trained." Several observers say this is integral to Lott's success: He trains young teachers his way before they become entrenched in another philosophy.

Franchising Success

In terms of education policy, the key question is: Can the Wesley way become a model for widespread education reform? Can Lott succeed without devoting the amount of time to each of his four charter schools that he has always given to Wesley? Which is indispensable, the visionary leader or the approach he has championed?

It's too early to render a verdict on the charter experiment, but the initial signs are promising. Lott's first step at Highland Heights was to replace the principal (a power the charter gives him) with Sandra Cornelius, a former Wesley assistant principal. "The last principal was a joke," says Lott. "The place was a mess, and she wouldn't even show up on time." Cornelius shares his philosophy, and she began by beautifying the school, imposing a sense of order, and adopting the direct-instruction programs.

The results have been remarkable. In 1994-95, the year before Lott assumed responsibility for Highland Heights (where 94 percent of students receive free or reduced-price lunches), 37 percent of its fourth graders had passed the TAAS in reading. Last spring, a whopping 100 percent passed. In math, 94 percent of the school's fourth graders passed the TAAS this year. Two years ago, the passage rate was 30 percent among fourth graders.

Osborne Elementary, the third elementary school now under Lott's management, has been improving steadily ever since Davis was hired as principal in 1993, several years before Lott took over. Fewer than 40 percent of its students had passed the TAAS in reading and math in 1993. Nowadays, more than 80 percent pass. Instead of DISTAR, Davis has chosen to use Success For All, a teaching model developed at Johns Hopkins University that incorporates direct-instruction techniques. Lott, for the most part, has left well enough alone. "All of [the principals] are free to do their own thing as long as they get results," Lott says.

Lott's most daunting challenge is to revamp M.C. Williams, the lone middle school (grades six through eight) in his care. He spent the first year of the charter battling the old principal, who disagreed with Lott philosophically and has since been replaced. This year the school has a new principal and a new look. Formerly dark hallways now have fluorescent lighting; a once perpetually dirty floor is swept and waxed daily; graffiti is cleaned up immediately; and new principal Roy Morgan himself donned an old sweatshirt one Saturday and painted the front doors bright blue.

Morgan is a constant presence in the hallways and classrooms, and teachers are assigned posts at high-traffic areas during breaks. Their mission: Maintain order. "The teachers and administrators have finally gotten control," says assistant principal Sylvia Jones. These initial renovations are revealing, for they reflect Lott's priorities. Before attending to academics, Lott says, you must create an environment for learning. That means a clean school with cheery colors, a staff of professionals who treat students with respect, and students who understand what type of behavior is expected of them.

Three years ago, before Lott took over Highland Heights, 37 percent of fourth-graders passed the reading test. Last year, 100 percent passed.

Test scores, however, have only seen minor improvements. Besides the turnover in leadership and the wasted year with an ineffective principal, Williams suffers from a more serious problem: Cherry-picking. Wesley graduates are technically zoned to attend Williams, but few actually enter. Most are accepted by magnet schools throughout Houston or wooed by private schools seeking high-achieving minority students. So Williams is left with hundreds of graduates of other local elementary schools starting well below grade level.

Lott's solution is to bring textbooks from Wesley into the middle school. "These kids don't know how to decode a word," he says. "Now we're having to do what the elementary schools didn't do." The charter arrangement exempts Williams from regulations forbidding the use of below-level textbooks.

A Failure To Replicate

Lott's devotion springs from his deep roots in the community. His boyhood home stands just five blocks from Wesley, and as a child he attended Highland Heights. Back then Acres Homes was largely rural; his parents raised livestock and pumped water from a well. It was a different kind of community, too, "There were more families and they looked out for each other's children," Lott

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laments. "My neighbor was as much a guardian as my parents. Now we have drugs, violence, babies having babies—the whole nine yards."

Soon after graduating from Texas Southern University and becoming an educator, Lott and his wife built a home near Wesley. "I wanted my children to know their heritage," Lott says. "I wanted them to sit in their grandmother's rocking chair."

Even though Lott was told that he would never recoup the house's full value, it was important to him that Acres Homes kids hold high aspirations. "Children would pass the house and admire it," Lott says, "and say, 'You can come from Acres Homes and make a difference in the world.'"

But living in Acres Homes meant his children had to attend Wesley. Finding the education lacking, he sent them to private school and vowed to take the job as principal at Wesley if it ever opened. "I knew what it was like to be a parent looking for a school that taught my kids as well as I was taught," Lott says. "For them to do less is criminal."

Opportunity knocked in 1975, and the swift and dramatic improvements at Wesley soon attracted notice. In 1980, the school district conducted a study of Wesley and 10 other schools with similar demographics. It attributed the sudden uptick in Wesley's scores to the use of DISTAR.

With these results in hand and a supportive superintendent, more than 300 Texas schools adopted DISTAR in the early 1980s. But since DISTAR had still not been approved by the state education board, public schools had to divert discretionary funds away from other endeavors to afford the program. When classroom computers became the latest rage, these schools largely abandoned DISTAR to purchase computer hardware.

The next superintendent, Joan Raymond, was an ardent whole-language acolyte. Lott's philosophy was anathema to her, and, according to Gayle Fallon, his success prompted many Houston school district administrators to question the validity of Wesley's scores. "They assumed that if minority kids were doing well on tests, they had to be cheating," Lott says. The district sent a pair of investigators into the school to look for evidence of foul play, but they came away empty-handed.

Texas educators praise Lott but resist the methods that explain his success.

The baseless charges provoked an indignant backlash. "[Raymond] got to meet the entire Acres Homes community at the next school board meeting," says Fallon, smiling. The pivotal moment came when ABC's *PrimeTime Live* broadcast scenes of Lott's children reading two and three years above grade level. Raymond squirmed as reporter Chris Wallace questioned the district's lack of support for Lott and her own prejudices. It had all the elements of a juicy story—a crusading hero, an intransigent bureaucracy, and children's education in the balance—and ABC ran it twice. Ultimately, it gave Lott an aura of invincibility and forced Raymond out of office.

It also brought a wave of requests from parents throughout the city desperate to enroll their children at Wesley. Some resorted to lying about where their children lived, providing the address of a vacant lot or of a relative within Lott's district. While most schools take pains to expose such fraud, Lott does not. If they want to come and don't cause any trouble, he is glad to educate them.

Now Lott has a supportive superintendent in Rod Paige (the two are good friends) along with an adoring community and a national reputation. When Paige impaneled a blue-ribbon commission to settle the reading-instruction debate in Houston, Lott was one of the experts called to serve. The charter-school arrangement sprung from Paige's desire to "create an environment in which a renegade principal like Lott could flourish," he says. Observers visit Wesley from across the country. And despite the pressures Lott places on his teachers, even the national office of the American Federation of Teachers (AFT) has published approving stories on direct instruction and Wesley in its journal *American Teacher*.

The most important lessons, however, have yet to be learned. Lott's direct-instruction programs are still not a part of Texas's approved curriculum; schools that want to use the programs must either gain charter status or use precious discretionary funds to buy the textbooks. The Houston Livestock Show and Rodeo is contributing $4.4 million over the next three years to bring Reading Mastery (formerly DISTAR) into six low-performing Houston schools, but the school district has made little effort to find out what makes Lott's program work and encourage other schools to follow it.

The resistance to adopting direct instruction is an apt metaphor for the problems and promise of our decentralized system of public education. Current thought in education circles emphasizes "child-centered" classrooms and collaborative learning groups, values the learning "process" over correct answers, and disavows the teaching of basic skills in math and reading (although phonics has experienced a resurgence as of late). These trends place control over curriculum content largely in teachers' hands.

Direct-instruction programs do the opposite. Their scripted lessons leave the teacher with little freedom, although Wesley teachers say that having ready-made lesson plans leaves them more time to develop creative supplements. In direct instruction, the teacher runs the classroom and the stu-

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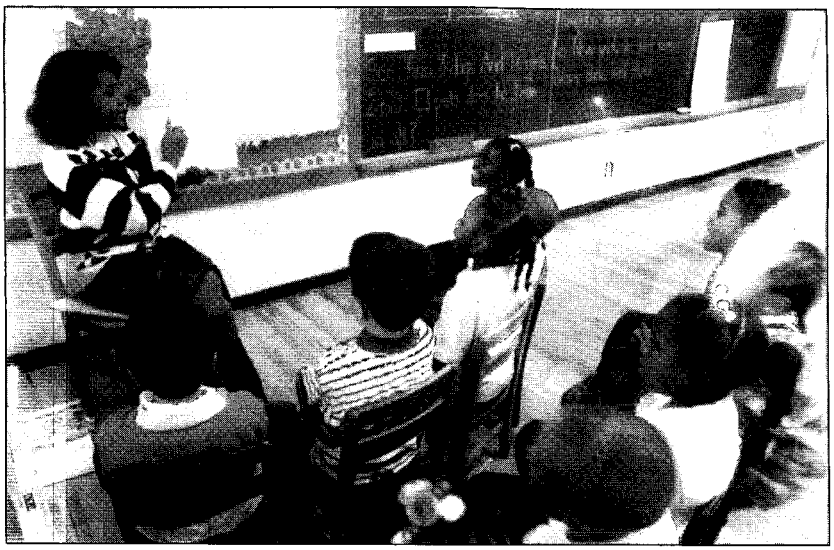

Wesley teachers are warned: "You're going to work through lunch, past 5 P.M., and on Saturdays. But you're also going to get disciplinary support, the materials you need, and all the training you require."

dents focus initially on acquiring basic skills; the primary goal is measurable student achievement. How much a teacher likes the program is of little concern. Most teachers blanch at having their instructional methods dictated so heavily by the curriculum.

Moreover, longstanding traditions of local control in education prevent any superintendent from imposing a curriculum like direct instruction on an entire district. Although that means not everyone will adopt misguided reforms (as happened in California when the state education board mandated whole language statewide and repealed it several years later after a fierce public outcry), it also means not everyone will adopt the right ones. Lott has the pleasure of managing only four schools whose principals were either trained by him or believe in his approach. Imagine attempting to impose a curriculum on 242 Houston principals and their staff, all of whom possess their own educational philosophies.

The failure to replicate Lott's program reveals another vexing matter in education: Hero worship. Whether it's Thaddeus Lott, Joe Clark of New Jersey, or Jaime Escalante of California, the latter two made famous by popular Hollywood films, when we elevate educators to the height of myth we place their achievements seemingly beyond reach. For example, when asked why the school district had not tried to replicate direct instruction in other schools, Paige answered, "The error in your premise is that it's the methodology that makes [Lott] succeed. If I had to choose any single foundation of his success, it is his intense desire to cause children to learn."

Yet Thaddeus Lott spends most of his day in meetings. Although he should be applauded for ensuring that teachers have a well-designed curriculum and the training they need, they ultimately bear the responsibility for whether the children learn. "That's what bothers me," Lott says, "the people who say you need to have a Thaddeus Lott to change things. No, you don't."

To prove that there's nothing unique about direct instruction, Paige's office provided TAAS scores from 22 Houston schools with demographics and achievement levels comparable to Wesley's, only a few of which use direct instruction. The office neglected to supply—until asked—a list including the percentage of children in each school who actually took the test.

Of the 22 schools, only two tested more than 70 percent of their kids—and one of the two was Highland Heights, which uses direct instruction. Ten of the 22 actually tested less than *50 percent* of their students. No schools had tested more than 80 percent of their students, while Wesley tested 93 percent. Lott does not need to hide low-performing students to prove that direct instruction works.

To be sure, Houston has made great strides in the area of reading—the blue-ribbon committee overhauled the district's curriculum to include a focus on early systematic phonics, and TAAS passage rates are way up under Paige's watch. The school district's accountability system, in which each school is given a grade for its TAAS passage rate, has forced principals to show marked improvement or risk losing their jobs. But schools are also exempting more and more of their students from the TAAS by labeling them special education or giving them the test in Spanish.

The district's policy of benign neglect toward a man like Thaddeus Lott may allow him to "flourish," in Paige's words, but education reform demands replicable models for improving entire districts, not just a tiny subset of schools. Lott's success with direct instruction, and even Davis's record with Success For All, suggest effective reforms. "Direct instruction will certainly give us a lot more success than we have right now," says Lovely Billups, the director of field services for educational issues at the AFT.

It's a measure of how low our expectations in education have sunk when a sense of mystique surrounds a man who brought in common-sense reforms such as choosing a research-based curriculum, measuring teacher performance, conducting an on-going effort to train those teachers, and expecting children to master subjects before moving on. Should we really expect anything less?

Tyce Palmaffy *is the assistant editor of* Policy Review: The Journal of American Citizenship.

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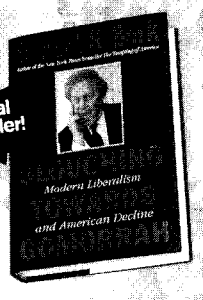

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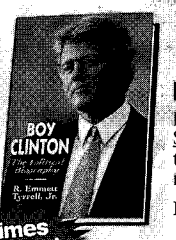

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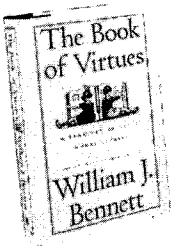

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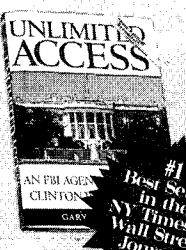

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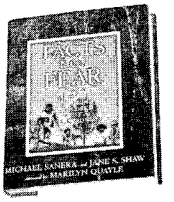

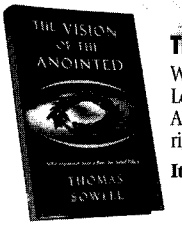

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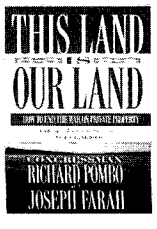

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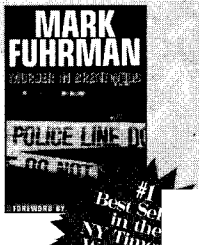

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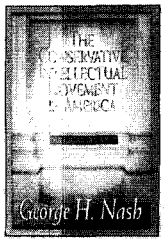

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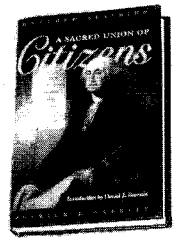

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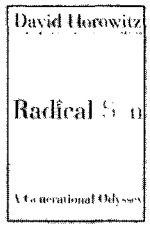

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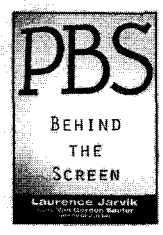

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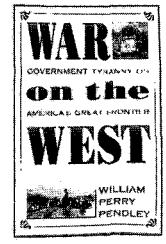

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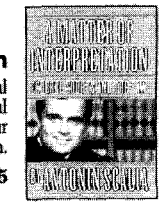

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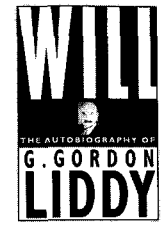

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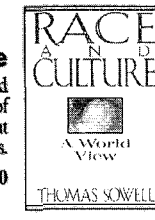

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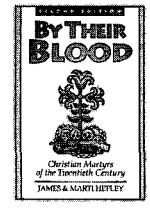

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Making Criminals Pay

A New York county's bold experiment in biblical justice

By Joe Loconte

After a few drinks, you could count on Joseph Minotti to climb into his car and become a highway menace. For the better part of a decade, Minotti routinely drove in Genesee County, New York, while under the influence of alcohol. Six times he was arrested for driving while intoxicated (DWI). Law enforcement officials had fined him, jailed him, and revoked his driver's license. Minotti simply forged another license and got back on the road.

Following his seventh arrest, Minotti was charged with felony DWI and faced three to seven years in prison if convicted. But the presiding judge wasn't convinced that time in a cell would produce a change in attitude. He recommended Minotti for the county's pre-trial diversion program.

This was no cream-puff experiment in alternative sentencing. Deputy sheriffs made unannounced visits to his home. Counselors dropped by to see how he was doing and to conduct random urine tests. For six months, from 10 P.M. to 7 A.M. every day, Minotti was under house arrest.

Even Minotti's waking hours were carefully regulated. He was ordered to perform 200 hours of community service for the American Red Cross. He attended two Alcoholics Anonymous meetings per week, joined individual and group counseling, met weekly with a minister, and attended victim-impact meetings at Mothers Against Drunk Driving (MADD). The sheriff's office sent monthly progress reports to the judge, the district attorney, Minotti's lawyer, and the president of MADD.

The county's plan paid off. "I would like to apologize to the community of western New York for my conduct over the past 10 years," Minotti said in a statement released to local newspapers. "I have finally turned my life around." Minotti, who now runs a business in nearby Erie County, has been law-abiding for the past seven years.

Genesee County's felony diversion track is part of an unorthodox crime strategy that is rattling both conservative and liberal assumptions about crime and punishment. Under the Genesee Justice program, justice may not mean jail time; but neither will it endorse "rehabilitation" programs that refuse to engage an offender's conscience. Run by the sheriff's office in Batavia, the effort unites county judges, prosecutors, and law enforcement officials with one objective: to devise punishments that make criminals personally responsible for their misdeeds—both to their victims and their communities.

"Judges usually take the route of least risk," says Douglas Call, a former county sheriff and an early advocate of the program. "And the least risk is to throw people in jail. But if the sanction of society is simply incarceration, offenders will go back to the same behavior."

In Genesee County, the aim of punishment is not merely punitive, but restorative: to help repair the harm done to victims and their families. So while traditional sentencing relies heavily on jail time and probation, the county emphasizes restitution and community-based service. While most

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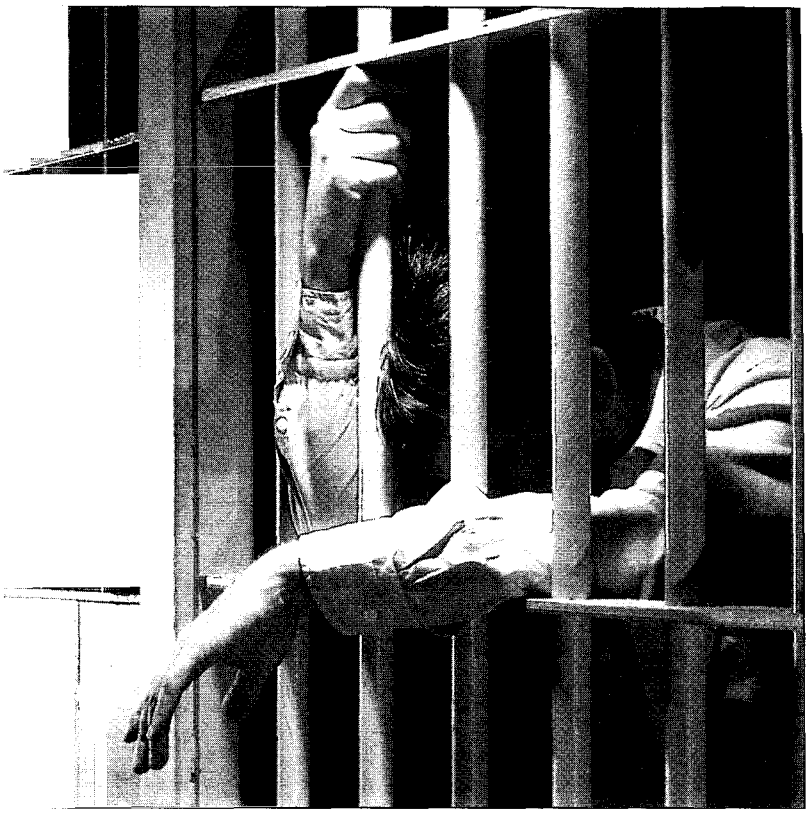
judges, lawyers, and prosecutors quietly cut backroom deals—shutting victims out of the negotiations—Genesee offers intensive victim assistance and involvement in nearly all phases of the judicial process. While most jurisdictions typically forbid contact between offenders and their victims, Genesee arranges face-to-face meetings to promote reconciliation.

Advocates call these efforts restorative justice, a religiously rooted philosophy that redefines crime as an offense not primarily against the state but against human beings.



The route of least risk is to "throw people in jail," says former Genessee county sheriff Doug Call. "But if the sanction of society is simply incarceration, offenders will go back to the same behavior."

"Defenders of the current system think violating the law is the problem," says Karen Strong, coauthor of *Restoring Justice.* "It is, but only because there is a violation of a person in the community." In the Hebrew tradition, crime is understood as a breach of *shalom,* or the sense of wholeness between individuals, the community, and God. It is time, supporters say, to make the restoration of the crime victim a central objective of criminal-justice reform.

The Genesee model is on the front lines of an emerging nationwide movement to connect punishment to the needs of crime victims. States and localities now host more than 300 mediation programs, in which offenders meet with their victims and pledge restitution or community service. In a single year in Oklahoma, the state arranged a thousand such meetings, yielding $300,000 in reparation agreements and 32,000 hours of community-service work. Vermont now puts low-risk probationers under the direct control of a community board, which determines reparations to the neighborhood and to the victim. The Minnesota Department of Corrections has two paid staff members to help jurisdictions throughout the state bring victims into the judicial process.

"Our adversarial system does not involve the victims," says Dennis Wittman, Genesee Justice's program director. "We're changing that. We're saying to the criminal that he's going to be accountable to this victim. And we're saying to the power players that they will have to meet with the victim and explain what they're doing."

Build It, and They Will Come

The Genesee County program, now more than 15 years old, began almost as an electoral fluke. In a 1980 run for county sheriff, Douglas Call sounded a dubious campaign theme: He argued against construction of a maximum security prison.

It should have been a losing strategy. Genesee County is a small, mostly white, and deeply conservative community 10 miles north of Attica state prison in western New York state. Crime rates were on the rise locally and throughout the region. Neighboring Livingston County, comparable in size and demographics, had just approved a similar facility.

"Once you build it, you fill it," Call says. "I didn't want to build a new jail until we'd learned to make lawbreakers responsible, and then we would use jail as a last resort." Call's platform not only helped him win the election; it has become the creed for what observers call the most advanced experiment in restorative justice in the nation.

It is difficult to dismiss the results: Officials say that, in the past five years, they have saved more than $2 million, or about $55 a day per inmate, by keeping hundreds of nonviolent criminals out of jail. With extra cell space, the county has generated $3 million over the same period by accepting federal inmates for a fee. (Livingston County, meanwhile, faces overcrowding and is planning to renovate and expand its facility.) Criminals have paid thousands of dollars in restitution to individuals and community groups. Defendants in alternative sentencing programs have performed more than 250,000 hours of community service, including the restoration of a town hall, the expansion of a Baptist church, and thousands of man-hours of

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painting, cleaning, and construction work.

Most importantly, Genesee County is a safer place. Although its population, now 61,000, has grown slightly since 1980, incidents of felony offenses have dropped by 14 percent. Reports of aggravated assault, burglary, larceny, and car theft have declined. Felony diversion, the county's most daring program, seems to be working: For felony offenders, the recidivism rate—which counts re-arrests for any crime—is less than half that of criminals sentenced to prison or probation.

Putting Victims First

Genesee's restorative philosophy takes its cues from those hurt not only by crime, but by the criminal justice system itself. Lisa Funke, a victim-services assistant with the sheriff's department, has worked with hundreds of crime victims. The most common theme: frustration with the system.

Victims complain of a lack of information about their cases, no communication with police after an arrest is made, little contact with the prosecutor's office, and a sense that they are being overrun by the criminal-justice machinery. Worse still, there are unanswered questions about the reasons for the crime and lingering fears of being re-victimized. "They need an advocate, somebody who will listen to them, somebody who is familiar with the system," Funke says. "They don't think anybody cares."

The county's victim-assistance programs, which last from 6 to 24 months, put a premium on keeping victims and their families in the information loop. Within a few weeks after a crime is committed, Wittman's staff will suggest a meeting with the district attorney. They help arrange police protection, set up counseling sessions, secure medical assistance, file compensation claims, accompany victims to court, and offer regular reports on defendants who've entered alternative sentencing programs.

Crime victims complain about a lack of information on their cases and a sense that they are being overrun by the criminal-justice machinery.

Since 1982, Genesee has taken on nearly 400 cases involving serious or violent crime. Consider a vehicular manslaughter case, in which three high school students and their driving instructor were killed. The accident demanded outreach to all four victims' families. Over an 18-month period, Wittman's office made more than 200 contacts with family members—involving home visitation, weekend meetings with the prosecutor, evening discussions with crime specialists, and information on counseling and other services. "They were here day and night," says Patricia Reeves, whose daughter, Rhonda, was killed in the crash. "Anytime we had questions, or a problem, or wanted an answer, we would call Dennis's office. They were wonderful in assisting us."

Other criminal-justice groups have followed suit. Prison Fellowship Ministries, the largest Christian outreach effort in America's prisons, launched its own assistance program in 1990. Called Neighbors Who Care, the effort mobilizes churches to offer practical and emotional help—from replacing broken windows to lending a listening ear. Volunteers from congregations in 10 communities have so far assisted 26,000 crime victims.

There's a growing consensus that such outreach work is crucial to helping those hurt by crime obtain a sense of justice and resolution. "At the heart of their anger is the feeling that the criminal justice system does not represent their interests," says Eduardo Barajas, program specialist at the National Institute of Corrections, in Washington, D.C. Unless that changes, he says, "victims continue to lose." Genesee County sheriff Gary Maha is more blunt: "We don't want them to be victimized again—this time by the system."

Making Amends

Bad verdicts and hollow sentences, of course, are another major cause of public angst. But restorative justice advocates see a deeper problem: the equation of jail time with justice. "We're not saying we don't need to incarcerate anyone," says Greg Richardson, the director of the Restorative Justice Institute, in Washington, D.C. "But victims need a sense that what's happened *to them* has been addressed." Incarceration, by itself, often fails on this count.

Restitution or reparation agreements, in which criminals pay back their victims and the community, are an obvious step toward accountability. "Restitution is one of the most tangible ways to bring the victim to the forefront and repair the damage that was done against him," says Carol Meyer of Justice Fellowship, the public-policy arm of Prison Fellowship.

Restitution programs have been multiplying since the 1960s, and are essential to Genesee's restorative philosophy. Payment is made directly to victims, their families, or organizations they designate. A man convicted of negligent homicide, for example, paid $4,000 to an education memorial fund; a DWI offender paid $200 to Mothers Against Drunk Driving; a felony drug offender paid $500 to two local hospitals. All agreements, as part of sentencing or pre-trial diversion, are tightly enforced by the sheriff's department or the county's probation office.

That's not the case in most other jurisdictions, however. Though judges commonly order restitu-

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tion as part of a sentencing agreement, observers say it is rarely collected.

"It's a wasteland. Collection systems are virtually nonexistent," says Dick Wertz, the national director for field operations at Justice Fellowship. Wertz's organization, which is pushing restitution reforms at the state and federal level, found that virtually none of Pennsylvania's 67 counties could give a current status of collection efforts. He guesses that fewer than 5 percent of the payments ordered are ever collected. "We have yet to find a state that is doing an effective job."

Critics say that expecting restitution from convicts is wholly impractical; most lack the means to pay. It's not a new problem: In his 1516 book *Utopia,* theologian Thomas More proposed that convicts be paid to work on public projects in order to reimburse their victims. In Pennsylvania, Justice Fellowship has helped author legislation that would establish a restitution fund by charging a fee to anyone on parole or probation.

Without reparation, crime victims surely will remain isolated, angry, and convinced that no one has addressed the harm that has overtaken their lives. For many restorative justice advocates, this represents a profoundly moral and religious issue. From the Mosaic law in the Old Testament to the story of the penitent tax collector Zacchaeus in the gospel of Luke, restitution is a key step in securing justice for victims of crime.

"The system is failing because there is no moral connection between the act of harming and the punishment meted out," Strong says. Compelling criminals to compensate their victims for the harm done—either with money or service—builds a bridge of accountability. "The biblical view of punishment is one that holds people accountable," says Kirby Trask, a victim counselor with the sheriff's office. "As a Christian, you have a duty to do all you can to see a person take responsibility for what he's done."

A Broken System

Howard Zehr, one of the early architects of restorative justice in the United States, says the problem is much bigger than restitution. Traditional approaches—from plea bargaining to a preoccupation with jail time—do not pressure offenders to own up to their misdeeds. Says Zehr: "It insulates them from the damage they've done."

In Genesee County, nearly all of the system's power players, some with 30 years' experience in criminal justice, have reached the same conclusion. "Traditional 'jail-'em-and-bail-'em' doesn't work," says Sheriff Maha. "It doesn't change behavior." Glen Morton, a former New York trial judge, says that jail poses no threat to most criminals and offers little remedy to their victims. "The [prison] system is really designed for hard criminals," he says. "It's a holding device for those who are violent and habitual."

For the majority of offenders, Morton says, "let's circumvent the system." In other words, use alternative sentencing—community service, strict curfews, restitution agreements—to "help offenders become more morally accountable." The most striking aspect of the Genesee model is that it applies this concept to serious crime. The county's felony diversion track typically steers offenders away from prison; it has handled cases involving assault with a deadly weapon, sodomy, drunk driving, attempted manslaughter, and even murder.

A Conscience Awakened

Robert Williams, facing a possible murder charge, seemed like a good candidate for the program. According to the sheriff's office, in 1993 Williams rushed to the aid of his brother, who was being attacked by a man in his Batavia apartment.

The Old and New Testaments teach that restitution is the key to securing justice for victims.

Williams stabbed the assailant several times in the apartment and, after the man fled the room, stabbed him again in the street—an act considered a homicide under New York state law. "Even though maybe it wasn't intentional, they could only drop it to manslaughter," says Wittman, "and he'd still be in the deep end of the Niagara River."

Williams was no choirboy: He had been arrested for disorderly conduct and domestic violence. But the prosecutor was not prepared to push for a murder charge and asked Wittman's office to get involved.

Genesee Justice staff already were working closely with the victim's mother and sister in Rochester, helping them cover funeral expenses and develop a victim impact statement for the court. Wittman set up a felony diversion program for Williams, outlining 14 separate conditions to be enforced by the sheriff's office over the following six months. Monthly reports on the defendant's progress would go to all the key players: the judge, the prosecutor, the defense attorney, and the deceased victim's family.

But Wittman wanted more community input and suggested that Williams meet with leaders of two black churches. He agreed. For two hours at Batavia's Mt. Zion Church, Williams—with his mother present—was grilled by a dozen church leaders: Why did this happen? What are you doing to turn your life around? Are you taking care of your children? The ministers told Williams they would support him only if he complied with the terms of his diversion.

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Williams held up his end of the agreement, and so did the church leaders, who put their recommendations in a letter to the judge. He was found guilty of second-degree manslaughter, put on probation—and he avoided jail time. "This is a conscience issue," Wittman says. "The community can bring that home a lot better and clearer" than criminal-justice professionals.

Soft on Crime?

Genesee County supports its court-approved diversion track in several ways. First, there are roughly 120 agencies that agree to employ offenders in community-based work programs: cleaning up parks, painting churches, filing books in libraries, mopping hospital floors. Second, Wittman's office has recruited more than 100 volunteers to befriend and mentor offenders for at least the length of their diversion. Finally, the sheriff's department assigns road patrol officers to check whether participants are meeting the terms of the agreement. Says Maha, "When a sheriff shows up at your door at 11 P.M. to make sure you're home, that has an impact."

It is an impact that jurisdictions can measure. Since 1985, approximately 3,200 adults have been given community-based sentences, imposed in lieu of a fine or jail time or as a condition of probation. Most of them, about 92 percent, met all the conditions of their sentences. Genesee judges and county police say that few people completing these programs have re-entered the system. The county also approved about 150 felony diversions over the same period, with all but a handful of offenders completing their programs without incident. Of those cases, Wittman says, only 20 percent have been re-arrested, mostly for nonviolent offenses. Nationwide, the recidivism rate for felons committing similar offenses varies from 40 to 60 percent.

Restorative justice advocates insist that its core principles—accountability, restitution, community-based sentences—are anything but soft on crime. Most are quick to stress the importance of keeping violent and incorrigible criminals off the streets. All candidates for alternative sentencing, for example, are carefully evaluated; criminals who show no remorse are screened out. "Certainly there are offenders who need to be locked up," says Lawrence Friedman, Genesee County's district attorney. "But there are vast numbers of people who don't need to go to prison and who should be paying a debt."

Only 20 percent of the 150 felons placed in the diversion program have been re-arrested—less than half the recidivism rate for offenders sentenced to prison.

Herein lies perhaps the most heinous omission of liberal-minded prison programs: They fail to confront the offender with the wrongness of his actions and force him to assume responsibility for making amends. Government funds a litany of courses in self-esteem, behavior management, and therapy in our prisons. What is missing in most of them is the moral dynamic. Without it, criminals continue to focus on themselves, not their victims. "They basically tell criminals that nothing is their fault, that they're a victim of their past, or of discrimination, or whatever," says Jeff Kimmel, the chief of staff at Justice Fellowship. "Part of what morality is about is empathy, about understanding the impact of your behavior on others," says Zehr, author of *Changing Lenses*. "The stereotypes and rationalizations that offenders use to distance themselves from the people they hurt are never challenged."

Reconciliation

Perhaps the most fertile setting for challenging criminals to change, while bringing emotional healing to their victims, comes during reconciliation meetings. Traditional criminal justice scorns this approach: Defendants are coached to deny their guilt. They and their attorneys square off against victims and prosecutors. The system is by nature adversarial.

The purpose of reconciliation meetings is to offer a face-to-face encounter between victim and offender to resolve their conflict independent of a court decision. There are scores of reconciliation programs in the United States, addressing violent and nonviolent offenses, involving juveniles and adults. They may be set up before or after sentencing, and are always voluntary.

An offender must first admit his guilt and show signs of remorse. Says Trask, "The majority of cases in the system involve people who are not truly dangerous, who express some sense of remorse, but aren't given the opportunity to make things right."

This is their chance. With a mediator present, victim and offender discuss the crime and its effects on the individual and his or her family. Victims are allowed to tell their stories fully. Eventually they discuss how the perpetrator can help repair the damage.

The impact of such encounters on criminals can be profound. Judge Morton recalls an exchange between a man convicted of burglary and the woman whose house he had robbed. She told him she now felt less safe sleeping in her own home than baby-sitting at a friend's house. "For the first time the defendant has a practical example of the impact of what he has done," he says. "It helps him to understand why his behavior is really criminal."

A 1994 study conducted at the University of Tennessee College of Social Work showed that juveniles who joined reconciliation meetings were

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half as likely to commit other crimes as those who didn't. Daniel Van Ness, co-author of *Restoring Justice* and a vice president at Prison Fellowship International, relates a letter he received from an offender who participated in a program in California. "The offender needs to be made aware that the harmful effects of a crime extend far beyond the crime itself," he wrote. "Many offenders may not care, but many will, and I can tell you, beyond hesitation, very few offenders have ever given this much thought."

For their part, victims often gain the sense that justice has been served and that they can get on with their lives. Mark Umbreit, the director of the Center for Restorative Justice and Mediation at the University of Minnesota, conducted a 1994 study of victims who joined in mediation sessions with their offenders. Those who participated were twice as likely to say the system treated them fairly (80 percent) as those who did not.

A Severe Mercy

Beyond the issue of fairness, however, is forgiveness. And here is where even the most conservative approaches to criminal justice—by focusing exclusively on punishment—may miss the mark.

Except as a witness for the defense, Judith Fairbanks wouldn't have gotten much attention from the traditional justice system. Her 15-year-old son, Jeremy, was arrested and charged with killing another boy, Sammy Griffin, in a dispute over a girlfriend. She and the victim's family, however, were friends. She couldn't bear the thought of never again speaking to Ann Griffin, Sammy's mother.

So she called the sheriff's department to see if Wittman could help set up a meeting. The call stunned him: "It came out of the blue, like most of what happens around here." Wittman called the Griffin family, which reluctantly agreed. "Some members of the family wanted Jeremy to hang from the highest tree," he says. Jeremy, charged as an adult with murder, had not yet been sentenced. But Wittman got a green light for the meeting from the presiding judge, the district attorney, and the defense attorney.

The two mothers, with Wittman, met "very quietly" several times at the First United Methodist Church in Batavia. The meetings went well, and Wittman suggested that the women and their families host a community prayer service for their two sons. Ten days before Jeremy was sentenced, the mothers held a service in a church across the street from the sheriff's office.

Ann Griffin mourned not only the death of her son, but the fact that "every day Jeremy has to remember." Judith Fairbanks spoke about her private meetings with her friend. "There is no anger or bitterness between us," she told those assembled. "We have cried tears over the same things. We have compassion and understanding for each other and our children."

The role of churches in reconciliation can hardly be exaggerated. A reconciliation program in Clovis, California, recruits its volunteer mediators from 42 local congregations—the places we expect to encounter some measure of mercy. "The faith community gives us the idea of forgiveness," says program director Ron Classen. "Forgiveness allows us to take an injustice and transform it into something that improves people's lives and helps them to heal."

Forgiveness: There is no more important theme in the Bible. Paul's charge to Christians in Turkey—"forgive as the Lord forgave you"—remains the most concise yet powerful summary of Christian theology on the topic. For when we forgive, we yield any claim to resentment or retribution. Christian forgiveness is not the same as naiveté, however, nor does it wink at wrongdoing. Rather, it acknowledges the evil act for what it is, but holds out hope for the evil-doer.

Used in conjunction with restitution, community-based sentencing, and victim assistance, reconciliation programs can help both offenders and victims recover from the most painful of criminal acts. Indeed, a restorative approach to crime—one that tempers justice with mercy—could be the surest way to bring about a system that is not merely punitive but, in the end, redemptive.

Groups That Are Redefining Justice

Center for Mediation and Restorative Justice • University of Minnesota, 4515 Garfield Ave. South, Minneapolis, Minn. 55409. Tel.: 612-624-4923.

Center for Peacemaking and Conflict Studies • Fresno Pacific College, 1717 South Chestnut Ave., Fresno, Calif. 93702. Tel.: 209-455-5840.

Genesee Justice • Community Service/Victim-Assistance Program, Genesee County Sheriff's Dept., County Bldg. No. 1, Batavia, N.Y. 14020-3199. Tel.: 716-344-2550.

Justice Fellowship • P.O. Box 17500, Washington, D.C. 20041-0500. Tel.: 703-478-0100.

Neighbors Who Care • P.O. Box 16079, Washington, D.C. 20041. Tel.: 1-800-692-7770.

Restorative Justice Institute • P.O. Box 16301, Washington, D.C. 20041-6301. Tel.: 703-404-4213; e-mail: grichardjd@aol.com.

Victim Offender Reconciliation Program of the Central Valley • 2529 Willow Ave., Clovis, Calif. 93612. Tel.: 209-291-1120; e-mail: vorp@vorp.org.

***Joe Loconte** is the deputy editor of* Policy Review: The Journal of American Citizenship *and the author of* Seducing the Samaritan: How Government Contracts Are Reshaping Social Services *(Pioneer Institute for Public Policy Research).*

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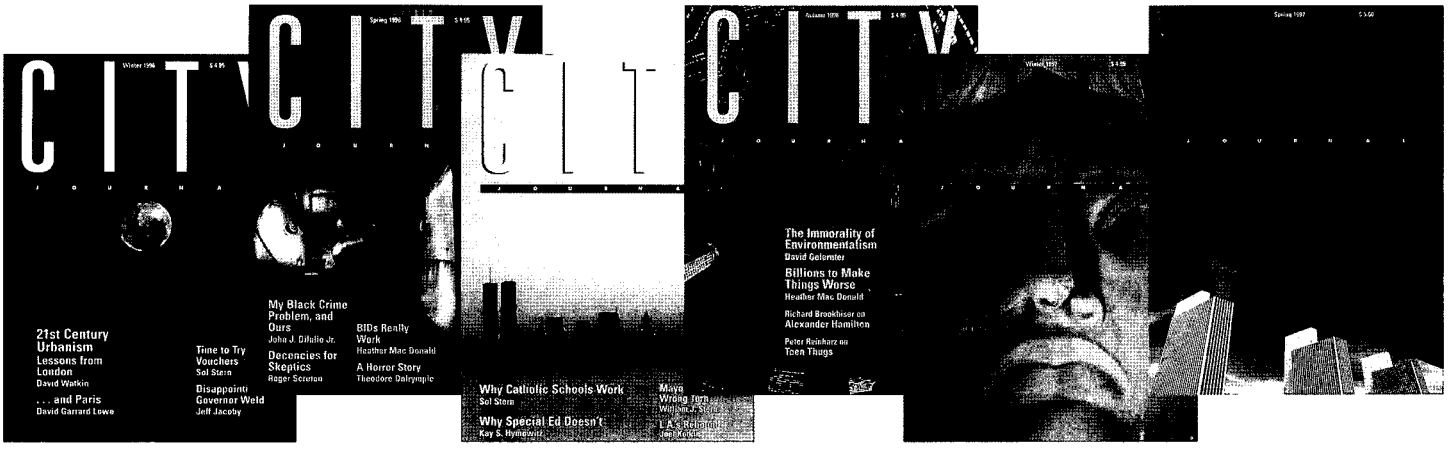

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Charity Tax Credits—And Debits

As welfare wanes, conservatives clash over whether government should subsidize private giving

By Peter S. Barwick, Merrill Matthews Jr., Robert Rector, Grace-Marie Arnett, and Stanley W. Carlson-Thies

Welfare reform, by shattering the notion of government-funded dependency, represents one of conservatism's great victories in recent years. It also presents one of the movement's toughest challenges: If government is not to be the safety net of first resort, then what is? If charities and other private agencies are the alternative to the failed welfare state, then how can we effectively shift resources in their direction?

Charity tax credits are emerging as one of the most important—and most hotly debated—responses to that question. Most versions give either a partial or a full tax credit for donations to organizations whose primary purpose is fighting poverty. Unlike a deduction, the credit would be applied directly against a person's tax liability.

The Renewal Alliance, a caucus of 30 members of Congress committed to the promotion of civil society, has chosen a charity tax credit sponsored by Senator Dan Coats and Representative John Kasich as one of its three principal legislative priorities for 1998. The Coats-Kasich bill would provide a credit of up to $500 per family at a cost to the Treasury of $23 billion over five years, according to the *Wall Street Journal.*

Apart from the question of how to pay for it, the charity tax credit has been criticized by a number of conservatives who fear that it will skew charitable giving toward direct provision of services rather than character-building institutions, and that it will amount to a taxpayer subsidy of public-policy advocacy by (mostly left-wing) charities.

In Pennsylvania, a bill was recently introduced to establish a state-level version of the tax credit concept. Drafted with help from the Commonwealth Foundation, the legis-

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lation offers a 50 percent credit for donations to charities that directly help the poor. It also tries to address many concerns of conservative critics.

The credit's advocates often urge that charitable tax credits be financed by dollar-for-dollar reductions in government welfare spending—thus directly transferring resources and responsibility for poverty-fighting from the state to civil society. However, the Pennsylvania proposal for a charity tax credit does not include commensurate reductions in government spending.

Everyone agrees with the ultimate objective: to encourage taxpayers to become more generous and more savvy in their charitable giving. Will the charity tax credit become the legislative fulcrum on which the culture of caregiving in America will be shifted? Or will it play into statist assumptions about government and civil society?

Peter S. Barwick

It's time to transfer resources from failed government programs to private charities that are reclaiming lives

The recent dramatic decline in the nation's welfare rolls is attributable in large part to the practical and psychological impact of reforms intended to create a more "conservative" welfare bureaucracy: expanded work requirements, eligibility restrictions, and a lifetime limit on benefits. These long-needed reforms are changing the culture of welfare from one of entitlement to one of reciprocity and individual responsibility.

It's time to take the next step. Conservatives should use the momentum generated by recent successes to move toward the ultimate goal of reform: shifting responsibility and resources from the welfare state to privately funded, local charities.

Providing for the poor is foremost the responsibility of individuals in their communities, not of government.

The best way to recover the role of private charity is through a charity tax credit, implemented initially at the state level. Its aim is simple: to give citizens greater control over their tax dollars by allowing them to claim a credit against their personal income-tax liability for contributions made to charitable organizations that assist the poor. The ideal plan is a charity tax credit that is budget-neutral—that is, one in which public spending is reduced by the same amount credited to taxpayers. This would ensure that resources are transferred from ineffective government programs to private charities that successfully reclaim lives.

Such a credit would help to revive volunteerism and a sense of civic responsibility in American society by reminding people that providing for the poor is the responsibility, not of government, but of individuals in their local communities. The credit would also have a beneficial impact on private charity. By encouraging greater reliance on individual contributions, it would stimulate a "market" in charitable giving. This would strengthen groups that help the poor effectively while eliminating or reforming those that do not.

Beyond its practical benefits, a charity tax credit would address what is perhaps the fundamental weakness of the conservative movement: its inability to articulate a vision of society that speaks to the sense of moral obligation people feel for the less fortunate. The goal is not simply a warmed-over version of the statist forms of "compassion" favored by liberals. Rather, the credit would help address the needs of the poor in a way that is consistent with the ideal of limited government and with the American tradition of active reliance upon the institutions of civil society.

Another advantage of a charity tax credit is that it will target assistance to those most directly affected by welfare reform. So far, caseload reduction has primarily involved those recipients easiest to employ. The real test will come over the next several years as work deadlines and lifetime limits on assistance kick in for the rest. If substantial suffering results, pressure will build to abandon these policies. A charity tax credit will help prevent this outcome and allow us to implement welfare reform as it was originally conceived.

Paying for the Credit

The purpose of the credit is not to create a token supplement to the welfare bureaucracy, but to begin shifting both resources and responsibility for assisting the poor from government to private-sector charity. To that end, a charity tax credit should reduce public spending—including spending on welfare programs—by a dollar for every dollar credited to taxpayers under the program.

The need to "pay for" the credit is a primary reason the idea has failed to gain traction in Congress. States will face the same challenge. This raises the inescapable political question: What if mandatory cuts in government social spending prove a poison pill to passage of the credit? The Pennsylvania bill omits such a linkage for this rea-

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son. Its author argues that the very existence of the program will create pressure to reduce existing welfare spending. This is an issue conservatives will have to settle state by state.

The federal government can make it easier for states to establish a budget-neutral charity tax credit by enacting two important changes in welfare policy. First, Congress should allow states to count the money they spend on a charity tax credit toward "maintenance of effort" requirements—that is, the minimum spending on welfare—mandated under federal welfare reform. Second, Congress should also allow states to use some portion of federal welfare block-grant funds to help pay for the credit. Every block grant intended for the poor should be included—such as Temporary Aid to Needy Families (or TANF, which has replaced the AFDC program), Community Development, Social Services, Small Communities, Job Training Partnership, and others.

Conservative Concerns

A liberal definition of charity. Some conservatives dislike the charity tax credit because they believe that, by restricting eligible contributions to groups that provide direct assistance to the poor, it implicitly accepts a "liberal" definition of charity as a dependency-inducing handout. These critics argue that establishing such a credit will simply replace government handouts to the poor with private-sector charity that operates on the same model. In their view, public officials should stay out of the business of trying to define charity and concentrate instead on creating the conditions under which the poor can escape poverty.

It is true that many private-sector charities have been compromised by a handout mentality. But this argument overlooks the ability of individual citizens to make discerning choices in their charitable giving and to create new forms of assistance that promote self-sufficiency. Such a position is at

Pennsylvania's Charity Tax Credit

A bill authorizing a charity tax credit for Pennsylvania taxpayers was recently drafted with the help of the Commonwealth Foundation, based in Harrisburg, and introduced in the legislature by Republican representative Jere Strittmatter.The bill contains the following provisions:

For the taxpayer:

1. **Taxpayers receive a 50 percent credit against state personal income-tax liability for contributions to charities that provide direct assistance to the poor.**

2. **The maximum credit that could be claimed by an individual taxpayer is limited to 25 percent of the taxpayer's total state personal income tax liability.** Example: A taxpayer earning $40,000 a year pays $1,120 in state income tax. Under the proposed legislation, he could subtract up to $280 directly from his tax bill by contributing $560 to qualifying in-state charities.

For the charity:

1. **The organization must be a nonprofit, tax-exempt entity.**

2. **At least 75 percent of the organization's annual budget must be used to fund programs which provide direct assistance to low-income individuals.** A "low-income individual" is any person residing in a household having an annual aggregate income of less than 185 percent of the federal poverty level, the income ceiling for participation in the federal food stamp program. "Direct assistance" includes any benefit or service intended to prevent or alleviate poverty, leaving it up to individual taxpayers to decide what sorts of assistance they wish to support.

3. **No more than 5 percent of the organization's annual budget may be used to pay for politically oriented activities, including lobbying, voter registration, political organization, public-policy advocacy, public policy research, or legal assistance.** This provision is intended to prevent the credit from becoming a funding mechanism for partisan advocacy groups. The bill imposes a restriction on these activities rather than an outright ban because groups need some flexibility in this area. This is why efforts to impose a blanket prohibition, such as the federal Istook Amendment, have failed politically.

4. ***The organization must receive less than 50 percent of its funding from government sources.*** Experience shows that private charities that rely heavily on government funding often come to resemble the ineffective programs of the welfare bureaucracy. A charity tax credit that restricts the amount of government funding groups can receive will help to prevent this result by encouraging groups to depend primarily on private contributions.

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odds with conservative philosophy, which trusts the common-sense judgment of ordinary citizens. It is also challenged by the existence of the many charities that promote self-sufficiency while providing assistance to the poor.

A good example of such a group is Bridge of Hope, a Christian nonprofit based in eastern Pennsylvania that helps single mothers formerly on welfare achieve financial independence through employment. The program works by linking each participant with a "mentoring group" of 8 to 12 volunteers from a local church. The members of this group provide an indispensable network of support for the single mother and her children as she achieves self-sufficiency.

Although relatively small, Bridge of Hope has been remarkably successful. Since it first began working with single mothers in 1989, more than two-thirds of the women it has helped have retained permanent housing and full-time employment. Over the past three years, the success rate has averaged more than 80 percent.

We don't know how many groups like Bridge of Hope exist in the private charitable sector. Whatever the number, it is certainly not enough. However, this is not an argument *against* the charity tax credit but *for* it, since a credit would help to spur the formation of more such groups, and would raise the profile of those that already exist.

The credit envisioned here is specifically designed to promote these ends, in two ways. First, it adopts a broad definition of assistance, thereby making room for creative efforts to help the poor, such as microlending to encourage entrepreneurship. Second, by requiring qualifying groups to limit their advocacy and their dependence on government funding, it effectively excludes those groups most likely to adopt the handout mentality.

Some conservatives deny the ability of individual citizens to make discerning choices in their charitable giving.

Conservative opponents of a tax credit are absolutely right to emphasize the importance of policies designed to help the poor become self-sufficient—employment-based welfare programs, school choice, economic deregulation, and the like. But what is to be done about the numerous individuals who, for one reason or another, continue to fall through the cracks? According to some conservatives, we have met our obligations to them as long as we support policies that improve the general lot of the poor. This position is an abdication of moral responsibility. In practice, it amounts to washing our hands of the problem.

Most Americans insist that something tangible be done to help those in need. As a result, they would sooner keep the current welfare system in place, bad as it is, than sharply reduce it and hope that policy reforms save the day. Those who fail to provide a concrete alternative to the welfare bureaucracy end up guaranteeing the status quo. A charity tax credit, in contrast, would provide a basis for gradually reducing the government role in welfare by transferring this responsibility to individual taxpayers.

Conservatives who argue against the credit idea because of the welfare mentality of many private charities worry especially about these groups using it to expand their political advocacy. Admittedly, large government-funded nonprofits would be eager to do this very thing. But this credit is designed specifically to exclude such groups and to favor local, privately funded charity (see box page 35). The combination of eligibility criteria proposed in the Pennsylvania bill—including a cap on government funding—is not found in any other charity tax credit plan. Together, these criteria ensure that the credit does not become a cash cow for advocacy groups on the Left.

Shredding the flat tax. Some conservatives reject the charity tax credit because it seems to be incompatible with a flat tax. Conservative support for the flat tax is a logical response to the countless loopholes and exemptions that riddle the federal tax code and to the inefficiency and inequity they produce. In the view of many flat-tax proponents, a charity tax credit is simply one more step in this direction.

Indisputably, a charity tax credit is, to some degree, inconsistent with the flat tax's emphasis on simplification. But tax simplification is desirable, not for its own sake, but because it promotes the larger goals of efficiency and fairness. The credit idea would more effectively promote these objectives than continued government control of welfare spending under a flat tax.

A budget-neutral charity tax credit would promote greater efficiency by shifting responsibility for welfare to private-sector charities, which can achieve superior results to state programs at far less cost. It would also promote fairness by letting taxpayers choose how their welfare dollars are spent. Flat-tax proponents should regard the minimal loss of simplification under a charity tax credit to be an acceptable trade-off.

One further point needs to be made. Proponents of a flat tax express concern that making an exception for a charity tax credit will open the door to all sorts of other exceptions. This concern is misplaced. Pressure for making further exceptions is the result of extending to one group an unfair financial advantage, which causes other groups to seek a compensating benefit. In contrast, a charity tax credit is intended for the legiti-

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mate purpose of providing for those who are truly in need. On moral grounds, this is a high priority of public policy, in a way that is not true for other exceptions.

Social engineering on the Right. A further criticism of a charity tax credit is that it is social engineering from the Right, which is to be deplored as much as that from the Left. Rather than provide a credit, they argue, we should simply eliminate welfare programs altogether and allow people to use their money to provide for the needs of others as they see fit.

These critics are right in holding that the needs of the poor are best addressed through the voluntary, cooperative efforts of individual citizens in their local communities. But how do we get to this ideal from where we are now? By simply cutting existing programs? As John DiIulio has aptly observed, removing the knife from a stabbing victim does not immediately bring the victim back to life. What is needed is a transitional mechanism able to rebuild the capacity of private-sector charity.

A charity tax credit supplies this transitional mechanism. Such a credit would nurture a private-sector alternative to the government welfare system. As people come to recognize the efficacy of this alternative, they would be able to accept the idea of further reducing the direct government role in welfare. Eventually, the credit itself could be phased out, so long as the revenue used to pay for it is returned to taxpayers.

Consider the impact of individual retirement accounts (IRAs) on the debate over privatizing Social Security. Thirty years ago, conservatives such as Barry Goldwater who even suggested the possibility of Social Security privatization were laughed out of the room. But now that we have practical experience with the advantages of privately investing for retirement, support for the idea is growing.

The tax credit is simply a transitional mechanism to rebuild the capacity of private-sector charity.

Conservatives should not delude themselves that the welfare problem has been solved. They should instead propel reform to the next stage by advancing the fundamental issue of the debate: the need to recover the role of private charity.

Seventy years ago, Americans thought of private charity as the primary social safety net. To the extent that government had a role in assisting the poor, it was a provider of last resort, at the local level. A charity tax credit offers a way to recover this arrangement and the understanding it reflects. Without progress toward this larger goal, welfare reform cannot be considered a true success.

Peter S. Barwick *is a research associate at the Commonwealth Foundation, a public-policy research institute in Harrisburg, Pennsylvania, and the author of "Let Charity Begin at Home," a study of the charity tax credit.*

Merrill Matthews Jr.

Critics of the charity tax credit seem to be afraid of letting charities compete for welfare dollars

The 1996 welfare legislation took reform a huge step forward by giving states more control over their welfare programs. Now we should consider shifting control to taxpayers themselves with the charity tax credit.

The charity tax credit would permit individual taxpayers to allocate a portion of their welfare tax dollars to any qualified charity and receive a tax credit for that contribution. Depending on the proposal, the tax credit would refund part or all of each dollar donated.

Though the charity tax credit proposal is still being considered by Congress, the states are also beginning to look at variations of the proposal. It may well be that the states will adopt the approach first.

Unfortunately, the proposal has prompted a number of criticisms, primarily from those who benefit financially from the current system. However, critics seem either to misunderstand how the proposal would work or fear letting charities compete for welfare dollars. Among their arguments:

If people were able to direct their tax dollars to private charities, they would scale back their overall commitment to aiding the poor.

In fact, just the opposite would likely occur. Most economists recognize what is called the "crowding out" effect: When government spending increases, private spending declines. In a 1984 article in the *Journal of Political Economy,* Russell Roberts found that private relief expenditures rose steadily in the United States until 1932, and declined steadily thereafter as government welfare spending rose. An article in the *National Tax Journal* that same year found that cuts in government spending resulted in increased interest in private contributions. Thus it is entirely possible that reducing government welfare spending through a tax credit for charitable giving might result in an increase in total spending on the needy.

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Private-sector charities are too small to handle the huge number of welfare recipients.

The charity tax credit would create a dynamic welfare system in which taxpayers assess each charity's record of meeting the needs of the poor. To the extent that taxpayers direct tax dollars to private-sector charities, those organizations would have the funds to grow and meet the needs of more people.

The wealthy prefer to help those closest to them, so the poor living in the inner cities or other places far from the wealthy would receive very little help.

Extensive research done on this issue—such as Charles T. Clotfelter's *Who Benefits from the Nonprofit Sector?*—found that there is no evidence that wealthier people give disproportionately to organizations that are closer to or primarily benefit upper-income families. Furthermore, the premise of this criticism is that only wealthy people would get a tax credit. However, since the tax credit would be extended to everyone who pays taxes, many lower and middle-income working families who live near poor communities in need of help would be able to participate. In addition, private-sector charities seeking to inform people about their missions would reach out to groups such as schools and churches whose membership often encompasses a wide range of incomes.

The tax credit would create a dynamic welfare system in which taxpayers assess each charity's record in meeting the needs of the poor.

Fraud would increase under a decentralized system.

It's hard to imagine fraud thriving any more than under the old federal-state system. However, we could put safeguards into place. For example, existing IRS regulations governing nonprofit organizations prohibit the misuse of a charitable organization for personal or financial gain—and the charity tax credit would relax none of those restrictions. But the key to eliminating welfare fraud is to give individuals rather than bureaucrats an incentive to police the system by determining which charities provide the best value for their money.

If lifting the poor out of poverty is the goal, then government welfare programs have been a colossal failure. According to the Congressional Research Service, this country has spent more than $5 trillion on public welfare programs since 1960, yet the poor as a percentage of the total population has slightly increased, to about 15 percent.

It is time to give private-sector charities a chance by giving taxpayers a choice. The charity tax credit would give them the ability to fund those charities they think are doing an effective job.

Merrill Matthews Jr. *is the vice president of domestic policy for the National Center for Policy Analysis, a nonpartisan, nonprofit public-policy research institute based in Dallas, Texas.*

Robert Rector

Let's not endorse a corrupted form of compassion

When Marvin Olasky wrote *The Tragedy of American Compassion* (1992), he offered a vital and challenging idea: the traditional wisdom of aiding the poor has been forgotten, for modern charity as practiced by *both* the government and the private nonprofit philanthropy is permissive and often destroys rather than aids the poor. The difficult task ahead was to recover the lost wisdom of true charity. Since then, conservatives have tended to distort this robust idea into another theme that is more comfortable but false: Government welfare is largely bad and private sector charity is largely good.

This is simply untrue. Although there are a few sound conservative organizations helping the poor, the bulk of nonprofit private charities serving them are more liberal and more permissive than their counterparts in government. Any criticism I have ever written about government welfare applies doubly to nonprofit charity. It is thus the most retrograde and corrupt part of the welfare system that the advocates of a charity tax credit are proposing to expand.

Peter Barwick suggests a trade-off: Government welfare spending will be reduced and money rechanneled through the tax code to the private nonprofit philanthropy. In reality, it will not work that way. The philanthropies he seeks to subsidize are nearly unanimous in their claim that the United States must spend more on the poor. If a charity tax credit is created, it will not replace government welfare, but will merely be added on top of the vast existing welfare system that already absorbs 5 percent of GNP.

Moreover, public-sector welfare has one important advantage over private charity: Government funds are rarely used to intervene in the political process. Not so for private philanthropy. Indeed, most liberal and moderate charities believe that the noblest deed they can perform on behalf of the poor is to lobby for greater government welfare spending and expanded state power. In a re-

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cent hearing in the House of Representatives, the chief lobbyist of Catholic Charities stated that, in the view of her organization, the best charity activity was voter registration!

Barwick does propose a ban on the use of tax-subsidized charity funds for policy advocacy. But this ban is an illusion and has no chance of survival in the long term. Whenever similar charity tax bills have been introduced in Washington, the entire philanthropic industry has been mobilized to remove any ban on advocacy. As a result, most bills like this one deliberately include policy research and advocacy as a "service to the poor" worthy of subsidy.

A ban on commingling private and public funds is similarly nonenforceable. In reality, this proposal would lead to philanthropies using tax-subsidized private funds to aggressively promote expansion of government programs of which they were beneficiaries.

Most of the liberal agenda, from civil rights to environmentalism, is already packaged as service to the poor. Under the tax-credit proposal, those seeking to raise taxes to expand the food-stamp program get a potent tax cut while supporters of a balanced budget do not. Advocates of expanded welfare, Head Start, and a hike in the minimum wage get a tax break not available to advocates of Star Wars and the flat tax. Backers of affirmative action to help disadvantaged groups get a subsidy but opponents of affirmative action do not. Virtually every liberal cause gets a subsidy while conservative ones do not, unless they twist their message severely in order to accommodate a left-leaning ideological litmus test.

The charity tax credit is a liberal fundraiser's dream: a potent tax break available primarily to those who have and advance liberal ideas. It will lead to a tax code that subsidizes liberal speech at the expense of conservative speech.

If conservatives want to commit suicide, there are surely more direct means available. Why not just create an extra 20 seats in the United States Senate and assign them permanently to the ACLU, the NAACP, and the Children's Defense Fund? Enacting Barwick's plan would have the same practical effect.

The charity tax credit is a liberal fundraiser's dream: a potent tax break primarily for those who advocate liberal values.

Barwick says he wants to create a marketplace for charity permitting individuals to choose where their monies go. In fact, he does neither. His proposal is narrow and corrupt because he mimics the core premises of the War on Poverty. His idea of "charity" bows in obeisance to the liberal icons of guilt, victim worship, envy, and indulgence. It is divorced from true benevolence. To mention one example among a thousand: he would subsidize hospice care for the indigent terminally ill, but not donations for medical research to cure diseases. This is a very bad idea.

If we wish to strengthen civil society, reduce government, and combat moral deconstruction, we should consider enhanced tax relief for *all* philanthropic giving, not merely the narrow leftish aid to the "poor" envisioned by Barwick. Such an alternative would foster true benevolence, rather than a stale repeat of the War on Poverty. To the extent speech and advocacy were funded, all ideas would be treated equally and public discourse would not be biased toward the Left.

Robert Rector *is the senior policy analyst for welfare and family issues at The Heritage Foundation.*

Grace-Marie Arnett

Granting credits for charitable gifts will make a complex tax code worse

Who can argue that a tax credit for charitable contributions isn't worthwhile? Of the thousands of twists and turns in federal and state tax codes, one that promotes charitable giving to encourage civil society should be at the top of the list. But there are costs and trade-offs, and it is important that they be visible during the debate.

The advocates of hundreds if not thousands of worthwhile causes can and do make passionate and convincing cases for special tax favors to benefit their constituents. But whenever a social cause is steered through the maze of the tax code, the donor, the recipient, and the beneficiary are subject to government intrusion to assure compliance. Further, any tax deduction or credit must be assessed with an eye toward its impact on the overall tax rate.

Just looking at the criteria that Peter Barwick has listed for eligibility for a charity tax credit suggests the complexity of the proposal: Under his plan, charities must prove that 75 percent of their budgets go to direct assistance for low-income individuals and that no more than 5 percent of the charities' budget is spent on political activities.

Government bureaucrats would have to write detailed regulations to define what "direct assis-

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tance" means, charities would be required to provide volumes of paperwork to assure they are in compliance, and government agents would be free to scrutinize records detailing how the staff and volunteers of the charity spend their time and money.

Next, government could demand the lists of beneficiaries and ask for their income statements to determine if they meet the criteria of "low-income individuals" eligible for the "direct assistance." Then, taxpayers, as always, would need to keep records to provide documentation of their donations.

Furthermore, tax deductions and partial tax credits like the Pennsylvania proposal are much more likely to be used by those with higher incomes. It only makes sense: Those with higher incomes have more money left over, after providing for their housing, food, transportation, and clothing, to give discretionary income to charity. They can afford to spend money to save money on taxes.

People at the lower end of the income-tax scale, on the other hand, are often least able to take advantage of tax preferences. A much higher percentage of their income—sometimes all of it—is consumed just to meet living expenses. They are limited in their ability to spend money on something that government encourages in order to save money in taxes.

Those who can afford to spend money on the tax credit can lower their effective tax rate; those who can't are stuck. These loopholes create the perception that the rich are able to game the tax code, thus engendering resentment between the rich and the poor and hatred of the tax code.

The National Commission on Economic Growth and Tax Reform said in its 1996 report that there are important social and economic consequences to certain tax breaks such as the deduction for charitable contributions but that they should be considered "with an eye to their impact on the tax rate and the costs to the Treasury."

The best way to encourage charitable contributions may be to lower tax rates across the board and trust in the generosity of the American people—as we have throughout our country's history. The greater economic growth and wealth generated by a lower tax burden and a simpler tax system would provide people with the resources to give even more.

Taxes are too high and take too much of a family's income, and they have increased decisively over the last four years: In 1994, federal tax receipts consumed an estimated 19.8 percent of GDP. And state and local taxes have risen to an estimated 11.1 percent of GDP. According to *Forbes*, that means the total tax take (30.9 percent) exceeds the previous high in 1981 of 30.2 percent (before the Reagan tax cuts). Even in 1944, at the height of World War II, taxes consumed only 25.4 percent of GDP.

In spite of this, the American Association of Fund-Raising Counsel reports that annual charitable giving by individuals in America has risen 9 percent after adjusting for inflation, or $10.7 billion, since 1991. People don't make contributions of $10, or $100, or $1,000 to cut their taxes by $3, or $30, or $300. They give because they believe in a cause or an organization. A thriving economy provides the best incentive for charitable giving.

Direct giving by individuals, without the government looking over everyone's shoulder, means that charities would truly be able to channel their resources toward building a better society, not complying with suffocating government rules and regulations. Professor Dale Jorgenson of Harvard University told the Tax Reform Commission that the income level in the United States could be 15 to 20 percent higher today if our anti-work, anti-saving, and anti-growth tax system were replaced. This translates to $4,000 to $6,000 per year for typical middle-income families. Imagine how much more charitable giving would be possible in such a world!

The best way to encourage charitable contributions to groups that fight poverty may be to reduce tax rates across the board.

***Grace-Marie Arnett**, formerly the executive director of the National Commission on Economic Growth and Tax Reform, is the president of the Galen Institute, a not-for-profit tax and health policy research organization based in Alexandria, Virginia.*

Stanley W. Carlson-Thies

There is no substitute for government's special role in fighting poverty

The charity tax credit is an innovative way for government to encourage greater involvement by citizens and social institutions in helping the poor. But the credit is no magic replacement for government's own anti-poverty role.

Families in deep crisis need more than dollars and bureaucratic services, to be sure; they need assistance that is, in Marvin Olasky's words, "challenging, personal, and spiritual." A government that wants an effective welfare effort must find

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ways to expand nongovernmental and personal forms of assistance.

By offering a credit on taxes owed, government can stimulate taxpayer giving to anti-poverty groups and encourage greater citizen engagement with the needy. Because the government's support is indirect, there is little danger that it will turn the groups into simple vendors of government services or encroach on their moral or religious character. At the same time, because the credit is targeted to donations for anti-poverty action, government ensures that lower tax revenues and reduced social spending are offset by increased service by nongovernmental assistance programs.

Nevertheless, the charity tax credit is problematic in both its details and its overall design. Typical proposals define eligible charities narrowly as groups directly assisting the poor, so that increased giving will go to the needy and not to the orchestra or someone's *alma mater*. But this risks reducing the anti-poverty fight to emergency help at the expense of long-term, transformative programs. Similarly, the proposals typically ban legal and political action by eligible charities so that they cannot lobby for more welfare spending. However, sometimes what the poor really need is a courtroom advocate against a shoddy business or an unjust landlord. Or they may need political action to sweep away laws and regulations that hamper entrepreneurial activity or to change the structure of the education system.

Moreover, as a way of assisting the poor, the charity tax credit's chief virtues are also its worst flaws. Proponents hope to empower taxpayers to choose which anti-poverty programs to support instead of simply sending tax dollars off to Washington or the statehouse. Yet few taxpayers know much about deep poverty and poverty-fighting organizations. What grabs our hearts and pocketbooks is photogenic poverty—the gaunt homeless veteran rather than the teenage druggie mother. This is not a reliable way to make allocation decisions.

Structuring the credit so that donations can only go to local nonprofits would certainly make charity less remote than government programs can be. But it exacerbates another problem: the mismatch between places of greatest need and areas of the most resources. The charitable donations of suburban residents may be most needed in a central city neighborhood, or across the country in a depressed region. Is that where they will go when "localism" is the cry?

Conservatives have begun to ask taxpayers whether they would rather send their hard-earned dollars to HUD than to Habitat for Humanity. But in deciding how to assist people trapped in poverty effectively, policymakers must understand not only how to energize taxpayers but also how to identify and prioritize needs and marshal dispersed resources.

The proposal risks reducing the anti-poverty fight to emergency aid at the expense of long-term programs.

We already elect, appoint, and hire people to carry out the public interest in assisting the needy: the mechanism is called "government." According to biblical teaching, government has a high calling to do justice. When it misses the mark, it's time for an overhaul, not to cast about for whatever other tool might be pressed into service.

The Bible insists that help should be given to the needy. So it is heartening that policymakers and policy experts are being driven by the (much exaggerated) failings of government welfare to devise more effective ways of rendering assistance to the poor. The reinvigoration of civil society will be a central feature of any new design. The charity tax credit is one way for government to water the garden of community and faith-based service organizations. But the charity tax credit is no substitute for a limited yet vigorous governmental role in protecting the poor and defenseless.

Stanley W. Carlson-Thies *is a senior fellow at the Center for Public Justice, in Washington, D.C.*

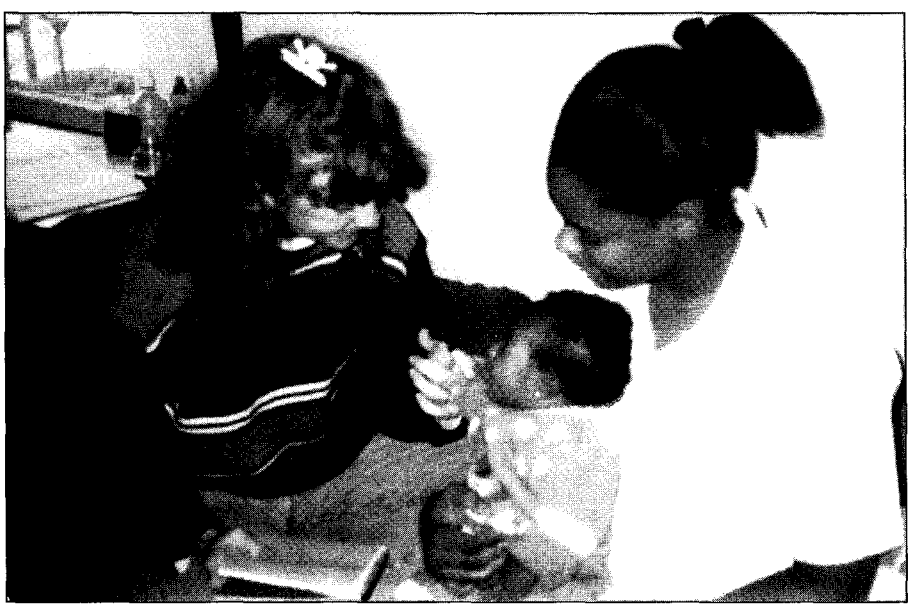

Photo courtesy of House of His Creation

The advocates of Pennsylvania's tax-credit plan assume that taxpayers would rather support private poverty-fighting efforts, like this home for unwed teenage moms in Coatesville, Pennsylvania.

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America's Struggle *For Racial Equality*

By Rep. Charles T. Canady

On June 11, 1963, in the wake of Governor George Wallace's stand against integration at the University of Alabama, President John F. Kennedy reported to the American people on the state of civil rights in the nation. He called on Congress to pass legislation dismantling the system of segregation and encouraged lawmakers to make a commitment "to the proposition that race has no place in American life or law."

Invoking the equality of all Americans before the law, Kennedy said: "We are confronted primarily with a moral issue. It is as old as the Scriptures and it is as clear as the American Constitution. The heart of the question is whether all Americans are to be afforded equal rights and equal opportunities, whether we are going to treat our fellow Americans as we want to be treated."

The American people are now beginning a great debate over the use of race and gender preferences by federal, state, and local governments. In 1996, a majority of voters in California, including 29 percent of blacks, approved the California Civil Rights Initiative prohibiting preferential treatment in public employment, education, and contracting. In a series of cases, the Supreme Court and federal courts of appeal have made it clear that the system of preference is built on an exceedingly shaky foundation. These cases—chiefly the *Adarand* decision of 1995—establish that racial classifications are presumptively unconstitutional and will be permitted only in extraordinary circumstances. In 1998, Congress is likely to consider legislation to end the use of race and gender preferences by the federal government.

As we enter this debate, Kennedy's stirring words on civil rights are as important as they were in 1963. In the name of overcoming discrimination, our government for the past generation has been treating Americans of different races unequally. This is not the first time that American governments have intentionally discriminated. The institution of slavery and Jim Crow laws both violated the fundamental American tenet that "all men are created equal" and are "endowed by their Creator with certain unalienable rights." But racial preferences designed to compensate for prior discrimination are also inconsistent with our most deeply cherished principles.

Slavery was the single greatest injustice in American history. The conflict sparked by its existence and by efforts to expand it took 365,000 American lives. A system of ferocious violence that degraded human beings to the status of chattel, American

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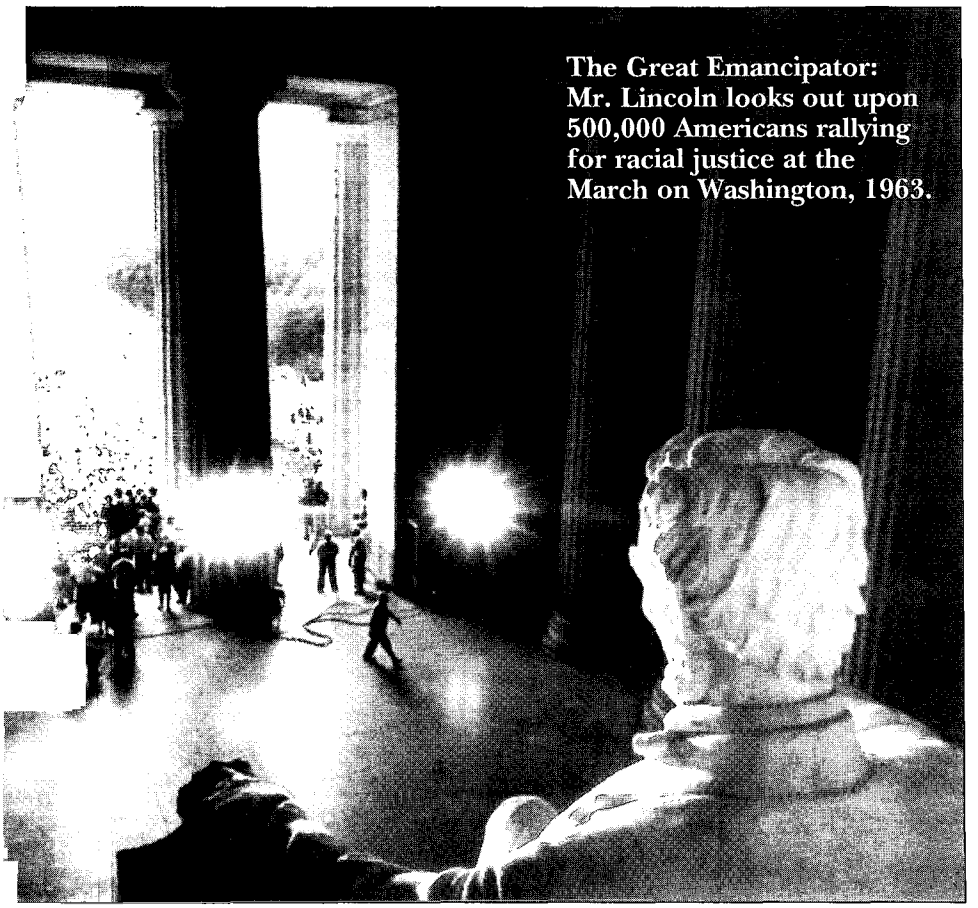
slavery had at its core the belief that blacks were subhuman. It was an institution that systematically and wantonly trampled on the most basic of human relations: Husband was separated from wife, parent was separated from child. Liberty was denied to individuals solely by reason of race.

When this disgraceful chapter in our history came to an end, it left a legacy of racism that has afflicted America up to the present generation. Soon after the Civil War, that legacy found expression in the segregation statutes, also known as Jim Crow laws. Historian C. Vann Woodward describes segregation thus: "That code lent the sanction of law to a social ostracism that extended to churches and schools, to housing and jobs, to eating and drinking. Whether by law or by custom, that ostracism extended to virtually all forms of public transportation, to sports and recreations, to hospitals, orphanages, prisons, and asylums, and ultimately to funeral homes, morgues, and cemeteries."

Woodward continues, "The Jim Crow laws, unlike feudal laws, did not assign the subordinated group a fixed status in society. They were constantly pushing the Negro farther down." Woodward also documents the "total disfranchisement" of black voters in the South through the poll tax and the white primary. He quotes Edgar Gardner Murphy on the attitude of many southern whites that energized the system of segregation during the first half of the 20th century: "Its spirit is that of an all-absorbing autocracy of race, an animus of aggrandizement which makes, in the imagination of the white man, an absolute identification of the stronger race with the being of the state."



The Great Emancipator: Mr. Lincoln looks out upon 500,000 Americans rallying for racial justice at the March on Washington, 1963.

Photo by UPI / Corbis-Bettmann

A Question of Dignity

The civil-rights movement of the 1950s and the early 1960s arose to combat racist laws, racist institutions, and racist practices wherever they existed. The story of that movement is a glorious chapter in the history of America. Sparked by the Supreme Court's decision in *Brown v. Board of Education* (1954), the civil rights movement dealt a death blow to the system of segregation with the passage of the Civil Rights Act of 1964. The Voting Rights Act of 1965 soon followed, creating the basis for fully restoring the franchise to black Americans throughout the country.

The moral example of those who stood against the forces of racial injustice played a critical role in reshaping American attitudes toward race. The American people were moved by images of the terrible acts of violence and gross indignities visited on black Americans.

Moreover, the civil-rights movement embodied a fundamental message that touched the soul of the American people. It exemplified an ideal at the core of the American experience from the very beginning of our national life, an ideal that was never fully realized and sometimes tragically perverted, but always acknowledged by Americans.

The ideal of respect for the dignity of the individual was set forth in the Declaration of Independence: "[A]ll men are created equal" and are "endowed by their Creator with certain unalienable rights." At Independence Hall on the eve of the Civil War, Lincoln spoke of this ideal as "a great principle or idea" in the Declaration of Independence "which gave promise that in due time the weights should be lifted from the shoulders of all men, and that all should have an equal chance." This ideal undergirded the civil-rights movement and condemned the contradictions of America's segregated society.

This ideal has never been more eloquently expressed than by Martin Luther King Jr., who said, the "image of God . . . is universally shared in equal portions by all men. There is no graded scale of essential worth. Every human being has etched in his personality the indeli-

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ble stamp of the Creator. . . . The worth of an individual does not lie in the measure of his intellect, his racial origin, or his social position. Human worth lies in relatedness to God. Whenever this is recognized, 'whiteness' and 'blackness' pass away as determinants in a relationship and 'son' and 'brother' are substituted."

King explicitly linked this religious view of man to the philosophical foundation of the United States. America's "pillars," King said, "were soundly grounded in the insights of our Judeo-Christian heritage: All men are made in the image of God; all men are brothers; all men are created equal; every man is heir to a legacy of dignity and worth; every man has rights that are neither conferred by nor derived from the state, they are God-given. What a marvelous foundation for any home! What a glorious place to inhabit!"

In light of King's personal experiences and the contradiction of sanctioning slavery and segregation in a country committed to equality, this is a remarkably optimistic view of the American experience. It is a view that propelled the civil-rights movement to great victories.

An Animating Principle

This understanding of the dignity of the individual found concrete expression in a legal principle that was relentlessly pursued by the early civil-rights movement. If universally adopted, this principle would fulfill the promise of American ideals. It was eloquently stated by the first Justice Harlan in his dissent to the Supreme Court's decision in *Plessy v. Ferguson* (1896). In words that would often be cited by those seeking to overthrow the odious Jim Crow system, Harlan pronounced, "Our Constitution is color blind. . . . The law regards man as man, and takes no account of his surroundings or of his color when his civil rights as guaranteed by the Supreme law of the land are involved."

The colorblind principle articulated by Harlan was the touchstone of the American civil-rights movement until the mid-1960s. Emory law professor Andrew Kull, in his admirable history *The Color-Blind Constitution*, identifies the centrality of the colorblind principle to the movement: "The undeniable fact is that over a period of some 125 years ending only in the late 1960s, the American civil-rights movement first elaborated, then held as its unvarying political objective, a rule of law requiring the color-blind treatment of individuals."

This fact is well illustrated by the example of Thurgood Marshall. In 1947, Marshall, representing the National Association for the Advancement of Colored People (NAACP) Legal Defense and Education Fund, in a brief for a black student denied admission to the University of Oklahoma's segregated law school, stated the colorblind principle unequivocally: "Classifications and distinctions based on race or color have no moral or legal validity in our society. They are contrary to our constitution and laws."

Marshall's support for the colorblind principle—which he later abandoned—is vividly described by Constance Baker Motley, senior U.S. district judge for the Southern District of New York, in an account included in Tinsley Yarbrough's biography of Justice Harlan. Motley recalled her days working with Marshall at the NAACP: "Marshall had a 'Bible' to which he turned during his most depressed moments. . . . Marshall would read aloud passages from Harlan's amazing dissent. I do not believe we ever filed a major brief in the pre-Brown days in which a portion of that opinion was not quoted. Marshall's favorite quotation was, 'Our Constitution is color-blind.' It became our basic creed."

Photo by UPI / Corbis-Bettmann

Martin Luther King Jr. linked the spirit of the nation's founding to the Judeo-Christian teaching that "all men are made in the image of God; all men are brothers; all men are created equal; every man is heir to a legacy of dignity and worth."

The principle of colorblind justice ultimately did find clear expression in the law of the United States. By passing the Civil Rights Act of 1964, Congress acted decisively against the Jim Crow system, and established a national policy against discrimination based on race and sex. It is the supreme irony of the modern civil-rights movement that this crowning achievement was soon followed by the creation of a system of preferences based first on race and then extended to gender.

The Civil Rights Act of 1964 was an unequivocal statement that Americans should be treated as individuals and not as members of racial and gender groups. Congress rejected the racism of America's past. Under the Civil Rights Act of 1964, no American would be subject to discrimination. And there was no question about what discrimination meant. Senator Hubert Humphrey of Minnesota—the chief Senate sponsor of the legislation—stated it as clearly as possible: Discrimination was any "distinction in treatment given to different individuals because of their different race."

Was This Enough?

As the Civil Rights Act was being considered, some voices questioned the adequacy of the principle of colorblind justice. The Urban League's Whitney Young said that "300 years of deprivation" called for "a decade of discrimination in favor of Negro youth." James Farmer, a founder of the Congress of Racial Equality, called for "compensatory preferential treatment." Farmer said "it was

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impossible" for an "employer to be oblivious to color because we had all grown up in a racist society." But Roy Wilkins of the NAACP, in an encounter with Farmer, summed up the traditional view of the civil-rights movement: "I have a problem with that whole concept. What you're asking for there is not equal treatment, but special treatment to make up for the unequal treatment of the past. I think that's outside the American tradition and the country won't buy it. I don't feel at all comfortable asking for any special treatment; I just want to be treated like everyone else."

While considering the Civil Rights Act of 1964, Congress itself debated the issues of racial preferences and proportional representation. The result of that debate was the adoption of Section 703(j) of the Act, which states that nothing in Title VII of the Act "shall be interpreted to require any employer . . . to grant preferential treatment to any individual or group because of the race . . . of such individual or group" in order to maintain a racial balance. Senators Joseph Clark of Pennsylvania and Clifford Case of New Jersey, who steered that section of Title VII through the legislative process, left no doubt about Congress's intent. "[A]ny deliberate attempt to maintain a racial balance," they said at the time, "whatever such a balance may be, would involve a violation of Title VII because maintaining such a balance would require an employer to hire or refuse to hire on the basis of race. It must be emphasized that discrimination is prohibited to any individual."

Led Astray

For a brief, shining moment, the principle of colorblind justice was recognized as the law of the land. But soon that principle was thrust aside to make way for a system of race-based entitlement. The critical events took place during the Nixon administration, when the so-called Philadelphia Plan was adopted. It became the prototypical program of racial preferences for federal contractors.

In February 1970, the U.S. Department of Labor issued an order that the affirmative-action programs adopted by all government contractors must include "goals and timetables to which the contractor's good faith efforts must be directed to correct . . . deficiencies" in the "utilization of minority groups." This construct of goals and timetables to ensure the proper utilization of minority groups clearly envisioned a system of proportional representation in which group identity would be a factor—often the decisive factor—in hiring decisions. Embodied in this bureaucratic verbiage was a policy requiring that distinctions in treatment be made on the basis of race.

Discrimination of a most flagrant kind is now practiced at the federal, state, and local levels. A white teacher in Piscataway, New Jersey, is fired solely on account of her race. Asian students are denied admission to state universities to make room for students of other races with much weaker records. There are more than 160 federal laws, regulations, and executive orders explicitly requiring race- and sex-based preferences.

Now, as throughout the history of preferences, the key issue in the debate is how policies of preference can be reconciled with the fundamental American tenet that "all men are created equal" and are "endowed by their Creator with certain unalienable rights."

Although a case can be made that preferences have helped the black middle class, these gains have come at a great moral cost.

Evidence of racism can still be found in our country. American society is not yet colorblind. The issue for Americans today is how we can best transcend the divisions of the past. Is it through a policy of consistent nondiscrimination or through a system of preferences?

Racial preferences are frequently justified as a measure to help low-income blacks. But the evidence is compelling that the beneficiaries of preferential policies are overwhelmingly middle-class or wealthy. For the most part, the truly disadvantaged have been unable to participate in the programs that grant preferences. Furthermore, the emphasis on preferences has diverted attention from the task of addressing the root causes of black Americans' disadvantage. The lagging educational achievement of disadvantaged blacks can be ameliorated not through preferences but through structural reform of the American elementary and secondary education system. Preferences do nothing to help develop the skills necessary for the economic and social advancement of the disadvantaged.

Dressed-Up Discrimination

Preferences must also be judged a moral failure. Although some individuals have benefited significantly from preferences and a case can be made that preferences have enhanced the economic position of the black middle class, these gains have come at a great moral cost. Put simply, preferences discriminate. They deny opportunities to individuals solely because they are members of a nonpreferred race, gender, or ethnic group. The ambitions and aspirations, the hopes and dreams of individual Americans for themselves and for their families are trampled underfoot not for any wrongs those individuals have committed but for the sake of a bureaucratic effort to counterbalance the supposedly pervasive racism of American soci-

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ety. The penalty for the sins of the society at large is imposed on individuals who themselves are guilty only of being born a member of a nonpreferred group. Individual American citizens who would otherwise enjoy jobs and other opportunities are told that they must be denied in order to tilt the scales of racial justice.

Although preferences are presented as a remedial measure, they in fact create a class of innocent victims of government-imposed discrimination. In our system of justice, the burden of a remedy is imposed on those responsible for the specific harm being remedied. In the case of racial preferences, however, this remedial model breaks down. Those who benefit from the remedy need not show that they have in fact suffered any harm, and those who bear the burden of the remedy do so not because of any conduct on their part but purely because of their identity as members of non-preferred groups. Americans of all descriptions are deprived of opportunities under the system of preferences. And some of these victims have themselves struggled to overcome a severely disadvantaged background.

The proponents of preferential policies must acknowledge the injuries done to innocent individuals. They must confront the consequences flowing daily from the system of preferences in awarding contracts, jobs, promotions, and other opportunities. Supporters of the status quo attempt to hide the reality of preferences beneath a facade of "plus factors," "goals and timetables," and other measures that are said merely to "open up access" to opportunities. Behind all these semantic games, individual Americans are denied opportunities by government simply because they are of the wrong color or sex. The names assigned to the policies that deprive them of opportunity are of little moment. What matters is that our government implements a wide range of programs with the purpose of granting favored treatment to some on the basis of their biological characteristics. How can such government-imposed distinctions be reconciled with Martin Luther King's message that whenever the image of God is recognized as universally present in mankind, "'whiteness' and 'blackness' pass away as determinants in a relationship"? The conflict is irreconcilable.

The moral failure of preferences extends be-

Alveda King: "Revive My Uncle's Dream"

Alveda Celeste King, a niece of the late Rev. Martin Luther King Jr., is the founder and chairman of King for America, a faith-based group promoting racial harmony. Like her uncle, she believes that our law and culture should reflect the principle of colorblindness. Following are excerpts from her introduction of Representative Charles T. Canady at his lecture at The Heritage Foundation on October 1, 1997:

The late Dr. Martin Luther King Jr. taught us to judge our fellow Americans by the content of their character, not the color of our skin. According to Acts 17:26, we (humanity) are one race: human. God made all people from one blood, one man, one couple, Adam and Eve. This concept of several races (black, white, yellow, and red) is deceptive and divisive. Therefore, we can only overcome racial divisiveness if all references to race are eliminated from our verbal landscape.

We are eternally damned if we allow the fallacy of race to divide a whole America. In the words of W.E.B. Dubois, "The problem of the 20th century is that of the color line." We must overcome. If we accept and embrace the truth, in Dr. King's words, that we are bound together by a common bond of humanity, then we have overcome! This new and unswerving sense of direction, purpose, and self can and must begin right here in America, with One America! Working together, with the strength of our collective ethnic backgrounds and histories, we will move forward to live and work and succeed as One America.

We refer to the people of other nations, regardless of color or ethnicity, as English, British, French, Italian, or African. We don't refer to them as black or white Englishmen or white or black Frenchmen or Italians. It is our goal to have all races of Americans referred to only as Americans.

Our "mind scopes" must focus on an American civil life that transcends racial identity in the classroom, jury room, boardroom, workplace, and polling place. Our laws can level the playing fields, but only our hearts and minds can penetrate the true barrier that separates us. We have made leaps toward an American revival, and the 21st century will be the epoch of redemption and the restoration of historic human gains rather than a society based on fantasies of racial identities of Euro- and Afrocentrism.

The black–white meltdown implores us to navigate our America—the land of outsiders—on the journey to multiculturalism. A renewed humanity will begin the task of healing. Your front row seat is waiting. Won't you join us and help prepare for the world to come?

Alveda Celeste King

Photo courtesy of the Alexis de Tocqueville Institution

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yond the injustice done to individuals who are denied opportunities because they belong to the wrong group. There are other victims of the system of preferences. The supposed beneficiaries are themselves victims.

Preferences attack the dignity of the preferred, and cast a pall of doubt over their competence and worth. Preferences send a message that those in the favored groups are deemed incapable of meeting the standards that others are required to meet. Simply because they are members of a preferred group, individuals are often deprived of the recognition and respect they have earned. The achievements gained through talent and hard work are attributed instead to the operation of the system of preferences. The abilities of the preferred are called into question not only in the eyes of society, but also in the eyes of the preferred themselves. Self-confidence erodes, standards drop, incentives to perform diminish, and pernicious stereotypes are reinforced.

All of this results from treating individuals differently on the basis of race. It is the inevitable consequence of reducing individuals to the status of racial entities. The lesson of our history as Americans is that racial distinctions are inherently cruel. There are no benign distinctions of race. Our history—and perhaps human nature itself—renders that impossible. Although the underlying purpose of preferences was to eliminate the vestiges of racism, the mechanism of redress was fundamentally flawed. Rather than breaking down racial barriers, preferential policies continually remind Americans of racial differences.

Scarring the Soul

Martin Luther King Jr. described the harm done to all Americans by the Jim Crow system: "Segregation scars the soul of both the segregator and the segregated." Similarly, every time our government prefers one individual over another on the basis of race, new scars are created, and the promise of the Declaration of Independence is deferred.

The way forward in American race relations is to embrace the vision of a colorblind legal order that was set forth 100 years ago by Justice Harlan, pursued devotedly by the civil-rights movement, articulated eloquently by President Kennedy, and enshrined in the Civil Rights Act of 1964. The way to transcend our racial divisions is to first ensure that we, as a people acting through our government, respect every person as an individual created in the image of God and honor every American as an individual whose color will never be the basis for determining his opportunities.

This principle is consistent with the initial meaning of "affirmative action" in civil-rights law. On March 6, 1961, President Kennedy issued Executive Order 10925, establishing the President's Committee on Equal Employment Opportunity, and creating a framework for "affirmative steps" designed "to realize more fully the national policy of nondiscrimination within the executive branch of the Government." The executive order also provided that government contracts contain the following provision: "The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color or national origin."

The original concept of affirmative action excluded any notion of preference. Indeed, the concept of affirmative action was explicitly linked with the principle of nondiscrimination. It was to be affirmative action to ensure that individuals were treated "without regard to their race." There is no hint of group entitlement or proportional representation in the executive order. On the contrary, the exclusive focus is on the right of individuals to be treated as individuals. The "affirmative steps" were actions designed to ensure that individuals of all races would have an opportunity to compete on the basis of their individual merit.

We need to embrace the vision of a colorblind legal order set forth by Justice Harlan and enshrined in the Civil Rights Act of 1964.

William Van Alstyne, a law professor at Duke University, has stated it as well as anyone: "[O]ne gets beyond racism by getting beyond it now: by a complete, resolute, and credible commitment never to tolerate in one's own life—or in the life or practices of one's government—the differential treatment of other human beings by race. Indeed, that is the great lesson for government itself to teach: In all we do in life, whatever we do in life, to treat any person less well than another or to favor any more than another for being black or white or brown or red, is wrong. Let that be our fundamental law and we shall have a Constitution universally worth expounding."

The American people have embraced that commitment, and the courts have gone far toward making it our fundamental law. The only remaining question is whether the elected representatives of the people will do their part to rid our legal order of the odious distinctions of race.

***Charles T. Canady**, a Florida Republican, is the chairman of the Constitution Subcommittee of the House Judiciary Committee, and the principal sponsor of the Civil Rights Act of 1997. This article is adapted from a speech at The Heritage Foundation on October 1, 1997.*

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Profiles in Citizenship

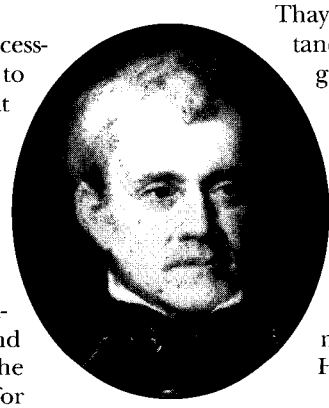
Duty, Honor, Country: Molding Citizen–Soldiers

Sylvanus Thayer, the superintendent of West Point from 1817 to 1833, was not the U.S. Military Academy's first chief, but he so thoroughly reorganized it and instilled in it a spirit of discipline and excellence that he became known as the "Father of the Military Academy." His singular achievement was the development of a system of military education that uniquely combined the principles of republicanism with the requirements of military leadership.

A strategic military post since 1778, West Point was chosen as the site of the U.S. military academy in 1802. George Washington had sought an institution to train the fledgling country's officer corps. He had also wanted officers to transmit gentlemanly, republican virtues to the army and the army to demonstrate the same to the nation. Even Thomas Jefferson, who had initially opposed the academy's formation on philosophical grounds, understood that citizen–soldiers had to be trained and led by competent, committed professionals. All the better if its graduates were educated men of competence and character dedicated to American Revolutionary ideals and to the defense of the U.S. Constitution.

In its early years, the academy's program was unsettled. Instruction lacked both textbooks and academic rigor, order and discipline were frequently neglected, and favoritism was rife. Thayer, born in 1785, graduated from West Point in 1808 and served as an instructor of mathematics there until 1812. In 1815, after having served in the War of 1812, Thayer was sent to France to study European military establishments, fortifications, and schools and to collect books and maps needed by the academy. Soon after his return, President James Monroe appointed him superintendent.

Thayer drew upon successful French approaches to education, especially that of the École Polytechnique, whose prescribed curriculum and rigid discipline served as a model for West Point. He asked the institution's academic board to fix the curriculum, select textbooks, and schedule regular exams; he established regular times for admissions and graduation; and he instituted a four-year, cumulative military and academic course program.



West Point chief Sylvanus Thayer

Although engineering dominated the course of study, fourth-year cadets also received instruction in rhetoric and the humanities. Thayer also initiated discussion-based ethics training and required cadets to attend weekly chapel services. He expected officers to be able not only to execute military orders exactly but also to think through profoundly difficult moral situations and choose the harder right over the easier wrong.

A stern disciplinarian, Thayer suspended or removed scores of cadets, notwithstanding emotional appeals from loved ones. In his words, he would not waste "the public money" on incompetent or undisciplined cadets, and he would not stop until he produced an "indispensable" state of military discipline. In a letter to Secretary of War John C. Calhoun (1818), Thayer expressed his belief that "the honor of our country . . . must receive its tone and character from the initial formation of its officers" at West Point. He promised to do everything in his power to resist attempts to substitute "dullness for genius, or idleness and vice for energy and a faithful discharge of duty." Thayer felt that a diminution of integrity or intellectual competence at West Point would in turn affect the army and the nation.

The "Thayer System" combined technical education (which broadened over time) with socialization into a strict military culture. This culture stressed not only traditional Roman military virtues, such as loyalty and honor, but also individual accountability and thoughtful allegiance to the highest of ethical standards and to the Constitution and the rule of law.

Thayer recognized the importance of educating officers to give their allegiance to the Constitution and American ideals rather than to individual leaders. The classical and American values of Thayer's system were encapsulated by the academy's coat of arms, which bears the famous motto, "Duty, Honor, Country."

In the so-called Age of Jackson, when government appointments were handed out according to a "spoils system" run by the political party in charge, Thayer sought to inoculate West Point's admissions process by inviting all congressmen to nominate the best qualified candidates from their home districts.

Thayer died in 1872, but a statue of him still watches over his domain from a corner of the plain at West Point. Thayer's biographer, Richard E. Dupuy, describes the Thayer System as "a novitiate, in which every man suffers equally, and every man is rewarded according to his performance, moving toward a common goal, under an impartial, impersonal command." Instead of an aristocracy, his system produced a meritocracy to serve the constitutional Republic, stressing the "citizen" in "citizen–soldier" and making citizenship part of the American professional military ethos.

Photo courtesy of the West Point Museum Collections / United States Military Academy

by Wesley Allen Riddle

Wesley Allen Riddle, a former Salvatori Fellow at The Heritage Foundation, is a 1983 graduate of West Point. An Oxford-trained historian and former West Point instructor, he writes a history column for the Social Critic, *a quarterly journal of conservative opinion.*

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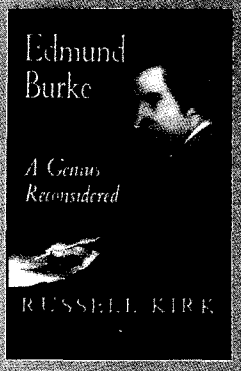

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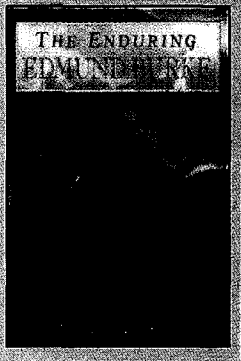

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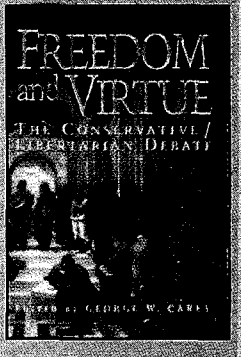

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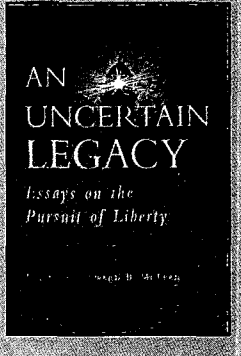

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